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HEARINGS

BEFORE THE

PERMANENT SUBCOMMITTEE ON
INVESTIGATIONS OF THE COMMITTEE ON
GOVERNMENT OPERATIONS
UNITED STATES SENATE

EIGHTY-THIRD CONGRESS

FIRST SESSION

PURSUANT TO

S. Res. 40

A RESOLUTION AUTHORIZING THE COMMITTEE ON
GOVERNMENT OPERATIONS TO EMPLOY TEMPORARY
ADDITIONAL PERSONNEL AND INCREASING THE
LIMIT OF EXPENDITURES

PART 1

FEBRUARY 16 AND 17, 1953

Printed for the use of the Committee on Government Operations



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STATE DEPARTMENT INFORMATION PROGRAM—VOICE OF AMERICA

MONDAY, FEBRUARY 16, 1953

UNITED STATES SENATE,
SENATE PERMANENT SUBCOMMITTEE ON INVESTIGATIONS
OF THE COMMITTEE ON GOVERNMENT OPERATIONS,
Washington, D. C.

The subcommittee met, pursuant to Senate Resolution 40, agreed to January 30, 1953, in room 318 of the Senate Office Building, Senator Joseph R. McCarthy (chairman) presiding.

Present: Senators Joseph R. McCarthy (Republican, Wisconsin), Everett M. Dirksen (Republican, Illinois), Charles E. Potter (Republican, Michigan), John L. McClellan (Democrat, Arkansas), Henry M. Jackson (Democrat, Washington), and Stuart Symington (Democrat, Missouri).

Present also: Francis D. Flanagan, general counsel; Roy Cohn, chief counsel; Donald Surine, assistant counsel; David Schine, chief consultant; Henry Hawkins, investigator; and Ruth Young Watt, chief clerk.

The CHAIRMAN. Mr. McKesson, will you take the stand?

Mr. McKesson, you are reminded that you are still under oath. You were sworn previously.

Will you give us your full name?

TESTIMONY OF LEWIS J. McKESSON

Mr. McKESSON. Lewis J. McKesson.

The CHAIRMAN. Spelled M-c-K-e-s-s-o-n?

Mr. McKESSON. That is right, sir.

The CHAIRMAN. And you were with the Voice of America?

Mr. McKESSON. Yes, sir.

The CHAIRMAN. When did you come with the Voice?

Mr. McKESSON. In December 1949.

The CHAIRMAN. December of 1949?

Mr. McKESSON. Yes, sir.

The CHAIRMAN. And you left the Voice when?

Mr. McKESSON. November 1952.

The CHAIRMAN. And you are now in private industry?

Mr. McKESSON. Yes, sir.

The CHAIRMAN. What is your background so far as radio and electrical engineering is concerned?

Mr. McKESSON. I have always been interested in radio from the time I was in high school. I graduated from the University of Minnesota in 1927, specializing in radio subjects.

The CHAIRMAN. A little louder, Mr. McKesson.

Mr. MCKESSON. I went with the Radio Corporation of America in 1927 and was with them for over 20 years. I then was ordered to active duty as a naval officer and did similar work in the United States Navy.

The CHAIRMAN. And you were a graduate engineer from the University of Minnesota?

Mr. MCKESSON. Yes, sir.

The CHAIRMAN. The University of Minnesota Electrical Engineering School?

Mr. MCKESSON. Yes, sir.

The CHAIRMAN. And you have been in radio and electrical engineering ever since; is that right?

Mr. MCKESSON. Yes, sir.

The CHAIRMAN. Now, am I correct in this: that there are two so-called anchor broadcasting stations which the Voice has been building in the United States, one known as Baker West, the other known as Baker East?

Mr. MCKESSON. That is right, sir.

The CHAIRMAN. And Baker West has been constructed where?

Mr. MCKESSON. Near Port Angeles in the State of Washington.

The CHAIRMAN. And Baker East has been located where?

Mr. MCKESSON. In North Carolina.

The CHAIRMAN. Now, as an engineer, you made a study to determine whether or not this was the best location from the standpoint of reaching the target area; is that correct?

Mr. MCKESSON. Yes, sir.

The CHAIRMAN. And your conclusion was what?

Mr. MCKESSON. That both locations were not properly located.

The CHAIRMAN. And if they were properly located, in your opinion how much money could you save, assuming that you wanted to get the same result from another location?

Mr. MCKESSON. Approximately \$9 million for each station, or a total of \$18 million.

The CHAIRMAN. In other words, your testimony is that you could save \$18 million if you selected a proper site and still get the same results in the target area?

Mr. MCKESSON. That is right, sir.

The CHAIRMAN. Now, I understand that the Bureau of Standards, Massachusetts Institute of Technology, and Radio Corporation of America have also made studies, and you have worked with them. Is that correct?

Mr. MCKESSON. I have been familiar with their work, sir. Yes, sir.

The CHAIRMAN. You understood now that they all agree with you that the locations that were selected were improper locations?

Mr. MCKESSON. In general, yes.

The CHAIRMAN. I understand you have some slides to demonstrate to the committee why you feel that these locations are improper and wasteful?

Mr. MCKESSON. They will illustrate—

The CHAIRMAN. Your point?

Mr. MCKESSON. Yes, sir.

The CHAIRMAN. Would someone turn off the lights?

You are now showing on the screen slide No. 1?

Mr. McKESSON. Yes, sir.

The CHAIRMAN. And will you locate with your pencil the present location of Baker West and Baker East?

Mr. McKESSON. Baker West is about in this location. I think you might focus that a little bit better, if you can. And Baker East is over in this location.

The CHAIRMAN. And on that slide No. 1, there is a heavy red circle, circling the North Pole at a distance of a great number of miles. Right?

Mr. McKESSON. Yes, sir. It circles the geomagnetic North Pole; not the North Pole, which is up here.

The CHAIRMAN. It circles the geomagnetic North Pole.

Mr. McKESSON. Yes, sir.

The CHAIRMAN. And that band, that red band, shown on the map of the world, is about how many miles wide?

Mr. McKESSON. Well, it varies in width.

The CHAIRMAN. On the present map, roughly, the map you are showing us?

Mr. McKESSON. Well, in the order of a thousand miles or more.

The CHAIRMAN. And that represents a constant magnetic storm going on far above the earth. Right?

Mr. McKESSON. That is right; sir, yes.

The CHAIRMAN. And does that interfere with radio transmission?

Mr. McKESSON. Yes; it does.

The CHAIRMAN. Does it take a great deal more power to transmit a radio signal when the transmitting station is located in that magnetic storm area?

Mr. McKESSON. Yes; it does.

The CHAIRMAN. And that is known as the auroral absorption belt; is that correct?

Mr. McKESSON. Yes, sir.

The CHAIRMAN. Are Baker East and Baker West both presently located within the auroral absorption belt?

Mr. McKESSON. Well, may I say, sir: The path from both stations is largely within this belt for a disturbed radio condition.

The CHAIRMAN. The target of Baker West is what?

Mr. McKESSON. The target is Manila. For the western stations the target shown on this map is Manila, Philippine Islands.

The CHAIRMAN. That is a relay station of the Voice?

Mr. McKESSON. That is a relay station of the Voice. That is right.

The CHAIRMAN. And the target area of Baker East?

Mr. McKESSON. It is Munich, Germany, also a relay station.

The CHAIRMAN. Also a relay station?

Mr. McKESSON. Yes, sir.

The CHAIRMAN. All right. Have you, by your studies and the studies conducted by the Bureau of Standards and MIT, and RCA, arrived at any conclusion as to whether or not that is a proper location for those two tremendously powerful transmitting stations?

Mr. McKESSON. Yes, sir; we have.

The CHAIRMAN. And what is the conclusion arrived at by you?

Mr. McKESSON. The conclusion is that if the stations were moved to the more southerly locations, the signal from the same transmitters

in the target areas and the relay stations would be of much greater strength.

The CHAIRMAN. Now, by a southern location, on the west coast, you mean southern California?

Mr. MCKESSON. Yes, sir.

The CHAIRMAN. And in the east coast you mean southern Florida?

Mr. MCKESSON. Right, sir.

The CHAIRMAN. Let us take Baker West for the time being.

Would it take a less powerful station in southern California to achieve the same results in the target area?

Mr. MCKESSON. That is right, sir; yes.

The CHAIRMAN. How much less powerful?

Mr. MCKESSON. My figures indicate that on an average about 10 percent of the power would be required at this point, as will be required up here.

The CHAIRMAN. By "this point," you refer to southern California?

Mr. MCKESSON. I refer to Point Conception, on the Pacific.

The CHAIRMAN. What would the comparative costs of construction be, to obtain the same results to the target area?

Mr. MCKESSON. On the order of 10 to 1.

The CHAIRMAN. Ten to one?

Mr. MCKESSON. Yes, sir.

The CHAIRMAN. The estimated cost of Baker West in its present location is how many million dollars?

Mr. MCKESSON. Approximately \$9 million, I understand.

The CHAIRMAN. Approximately \$9 million?

Mr. MCKESSON. Yes, sir.

The CHAIRMAN. Have you been informed that it is going to run above that by about a million and a half?

Mr. MCKESSON. Yes, sir; I have so heard.

The CHAIRMAN. And you could build a station in southern California which would achieve the same results for roughly how much?

Mr. MCKESSON. For approximately 10 percent of that, or about \$900,000 or a million dollars.

The CHAIRMAN. Is the same situation true on the east coast?

Mr. MCKESSON. In my opinion, it is; yes, sir.

The CHAIRMAN. Is the east-coast situation aggravated more, however, by the fact that the present location is in a swampy area, much of the land flooded? Or are you aware of that?

Mr. MCKESSON. Yes, sir; I have so heard, that the cost of reclaiming that land so that buildings and antennas can be put on it would be excessive.

The CHAIRMAN. In other words, the swampland must first be drained?

Mr. MCKESSON. That is right.

The CHAIRMAN. And you are not in a position to give us the cost of that?

Mr. MCKESSON. No, sir.

The CHAIRMAN. You say you can save about \$18 million by moving those broadcasting stations south?

Mr. MCKESSON. Right.

The CHAIRMAN. That is the original cost. How about the cost of operation, the power required?

Mr. McKESSON. The power required will be approximately the same ratios as stated before, or 10 percent. Land costs, personnel costs, and possibly some other costs, would not be that reduction.

The CHAIRMAN. Let us take Baker West again. How much power would be required to operate the present facilities; that is, the proposed facilities?

Mr. McKESSON. The transmitter output mainly consists of two 1-megawatt transmitters, which would require approximately 5 to 6 megawatts of central station power.

The CHAIRMAN. One megawatt is 1,000 kilowatts; right?

Mr. McKESSON. That is right.

The CHAIRMAN. I have just been advised by the engineer here, Senator Jackson. And that is 1,000,000 watts; right?

Mr. McKESSON. Right.

The CHAIRMAN. And there are two transmitters, each requiring 1,000 kilowatts?

Mr. McKESSON. Plus some smaller transmitters; yes.

The CHAIRMAN. What was the size of the smaller transmitters?

Mr. McKESSON. They are two 200 kilowatts.

The CHAIRMAN. One hundred kilowatts. Two of those?

Mr. McKESSON. Yes.

The CHAIRMAN. So it would be 2,000,200 watts?

Mr. McKESSON. No; 2,200,000 watts.

The CHAIRMAN. So they are hundred kilowatts, the smaller ones?

Mr. McKESSON. That is right.

The CHAIRMAN. Now, if you move that down to southern California, how many kilowatts would be required?

Mr. McKESSON. In my opinion, approximately 10 percent of those values would perform the same job to the target area.

The CHAIRMAN. Now, can you give us any estimate of the monthly or annual saving if you move it to the southern area?

Mr. McKESSON. No, sir; I cannot offhand.

The CHAIRMAN. In other words, you do not have those figures?

Mr. McKESSON. No, sir.

The CHAIRMAN. Am I correct in this: That as far as you know, every engineer agrees with you now that the present locations are improper locations?

Mr. McKESSON. Right.

The CHAIRMAN. At this point, I would like to insert in the record the memorandum written by General Stoner to Dr. Compton, dated July 14, 1952.

Before inserting this, may I ask you this, Mr. McKESSON. Am I correct that at the time the stations were originally located, there was some serious difference of opinion at that time as to where they should be located, but that by the 14th of July 1952, as far as you know, there was unanimity of opinion on the part of all engineers concerned that the broadcasting stations should not be located where they are presently located?

Mr. McKESSON. That is right, sir.

The CHAIRMAN. At this time I want to put in the record in its entirety a memorandum from General Stoner, who is present in the room, to Dr. Compton.

Dr. Compton, may I have your accurate title in the record?

Dr. COMPTON (Wilson S. Compton, Administrator, U. S. International Information Administration). I am the Administrator of the International Information Administration.

The CHAIRMAN. And General Stoner?

General STONER (Gen. Frank E. Stoner, consultant, U. S. International Information Administration). Consultant.

The CHAIRMAN. Chief consultant to Dr. Compton?

General STONER. Not the chief consultant, just consultant.

The CHAIRMAN. We will put the entire document in the record.

(The document referred to was marked as "Exhibit No. 1" and will be found in the appendix on p. 75.)

The CHAIRMAN. I am going to ask counsel to read into the record the parts which he considers pertinent at this particular time.

Mr. SCHINE (reading):

That a more southerly location would greatly improve the propagation of the transmitter, as it removes the path of the electro-magnetic waves from the absorption of the north auroral zone:

That by remaining at the present site we are taking more than a calculated risk. * * *

It would be necessary to make certain that we have a satisfactory site in southern California before decision is made to close out Baker West at Dungeness.

If the decision is to move to California, we must be prepared to explain fully to the Congress and to the press our reasons for so doing. Such exposure may result in congressional investigation and would not be conducive to our obtaining additional construction funds in the near future.

If we remain at Seattle and install our megawatt at that point, we also must be prepared to be continuously under surveillance concerning our output efficiency. * * *

I recommend that there be no change in the present site of the Baker West transmitter and that we reduce to an essential minimum all building and construction costs at the Seattle site.

The CHAIRMAN. In connection with that, for the benefit of the Senators who were not in New York during the hearings—Senator Jackson was with me and Senator Symington; and if I am wrong on this, Senator, I wish you would correct me—as I recall the testimony was that at the time this memorandum was written, roughly \$200,000 had been expended on Baker West; that the expenditures have continued; that as of today some four-hundred-odd thousands have been expended by way of contractors' fees, some three-hundred-odd thousands for land, which I assume could be disposed of, of course, and that approximately 3 millions have been expended for equipment; that the contractor was allowed 8½ percent per month on the equipment which he had to purchase, which meant that at the end of the year the Government had paid for it in full; that he owned the equipment; that the legal adviser had advised that the contract with the contractor be terminated because 8½ percent was completely out of line and that about 3½ percent would be more accurate; and that this man had no background of experience in this type of contracting, that he was essentially a school contractor, and that the Government was setting him up, buying his equipment, and putting him in competition with other contractors.

Now, in connection with that also, may I, in order to have the record clear, point out that this morning the staff talked to General Stoner? And in complete fairness to General Stoner, may I say that he has no power whatsoever to order anyone to do anything? He is a consultant; can only advise.

This morning, General Stoner informed the staff that construction was to be ordered discontinued on Baker West.

I suggested to the staff that they point out to the general that Baker East was just as bad if not worse, because there you not only have the broadcasting equipment on pilings, and since that time apparently it has been decided to discontinue construction on both Baker East and Baker West.

And may I say this, and I think Senator Jackson would want this in the record. I think that at the time Baker West was being located, there was some controversy as to where in Washington State it would be located. At that time, the then Congressman Jackson had no knowledge whatsoever of this transmission difficulty. He was not informed of that and was only interested in the question of which of the two different spots in Washington State it might be located.

And I would like to compliment at this time, if I may, the Senator from Washington for the tremendous help he has given us in helping us dig out the facts in regard to Baker West.

I think he is better informed perhaps than any other Senator on that situation out there.

Senator JACKSON. Thank you, Mr. Chairman.

I just wanted to ask this question of Mr. McKesson, if I might, Mr. Chairman.

As I understand, at the time the two projects were located, the Massachusetts Institute of Technology and RCA had recommended those sites. Is that correct? But you had disagreed?

Mr. McKESSON. The Massachusetts Institute had recommended them. RCA had not.

Senator JACKSON. RCA had not recommended?

Mr. McKESSON. No, sir.

Senator JACKSON. But MIT had recommended it in 1951?

Mr. McKESSON. That is right, sir.

Senator JACKSON. And on the basis of that they went ahead; that is, the Department did, with construction on Baker West?

Mr. McKESSON. That is right.

Senator JACKSON. And then in 1952, after the project was under way, the scientists changed their opinion on it—the scientists of MIT?

Mr. McKESSON. I would say, sir, that MIT changed their opinion.

Senator JACKSON. Well, the people at MIT who had originally recommended it, in 1951, changed their opinion a year later, in 1952, or thereabouts, in the summer of 1952?

Mr. McKESSON. That is right, sir.

Senator JACKSON. Now, this controversy, you recall, in the State of Washington, was between whether it ought to be located at Aberdeen or Port Angeles, Wash. Either site, according to your testimony, as it turns out now, or any place within the State of Washington, would be inadvisable?

Mr. McKESSON. That is correct.

The CHAIRMAN. In any case, let it be noted that while Senator Jackson might have been interested in one of the two sites in Washington State, he had nothing to do with having it located in Washington State rather than southern California. And I think it is very clear from the help he has given us that had he been informed of this situation he would have been the most active in having it down in southern California.

Senator JACKSON. Thank you.

The CHAIRMAN. Let me ask you this, Mr. McKesson. As well as the question of waste, what other significance do you find in this location of Baker East and Baker West?

Mr. McKesson. I would say, sir, that a station located at the current Baker West site, would greatly reduce the proposed effectiveness of the Voice of America to our relay stations and areas beyond the Iron Curtain, namely, China, Manchuria, and that area.

The CHAIRMAN. Let us put it this way: Let us assume we have a good Voice of America, a voice that is really the voice of America. Assume I do not want that to reach Communist territory. Would not the best way to sabotage that voice be to place your transmitters within that magnetic storm area, so that you would have this tremendous interference?

Mr. McKesson. I would agree with you a hundred percent, sir.

The CHAIRMAN. The same applies to the east coast, also?

Mr. McKesson. Yes, sir.

The CHAIRMAN. And would it be easier for the enemy to jam—I do not know your technical terms here—

Mr. McKesson. Jam the signal?

The CHAIRMAN. Jam the signal, with the location up in the auroral absorption belt, than farther south?

Mr. McKesson. Yes, sir; it would be much easier. Because a signal from this point, from Baker West, would be much weaker, and the power and number of jammers could be much smaller than if the station was at the optimum location.

The CHAIRMAN. I assume that you agree wholeheartedly with the action which I understand Dr. Compton proposes to take, which has not been taken yet, the action of suspending all construction of both Baker East and Baker West at this time?

Mr. McKesson. Yes, sir.

The CHAIRMAN. At the time of the original notation by General Stoner, the memorandum, I should say, to Dr. Compton, of July 14, 1952, at which time I understand there was practical unanimity of opinion on the part of the engineers—at that time I understand there was only about \$200,000 expended on Baker West, and since then another \$3 million has been spent, committed, or spent.

Can you think of any reason why this action which is about to be taken today should not have been taken on July 14, 1952, with the consequent saving of millions of dollars?

Mr. McKesson. No, sir.

The CHAIRMAN. And may I correct the record? When I say the consequent savings of millions of dollars: I understand the millions represent the cost of generators, which can be used; represent the cost of land which can be resold; so that at this time it is rather difficult to know the actual waste. Is that right?

Mr. McKesson. That is right, sir; yes.

The CHAIRMAN. Will you tell me why you resigned from the Voice of America?

Mr. McKesson. I resigned last November from the Voice of America because I was very dissatisfied with the engineering being done in the Voice and found that I was unable to correct some of the bad points which I considered were going on.

The CHAIRMAN. And I understand that in private industry you were making considerably more money than you made in the Voice?

Mr. McKESSON. Yes, sir.

The CHAIRMAN. So it was a rather heavy sacrifice for you to go with the Voice?

Mr. McKESSON. Yes, sir.

The CHAIRMAN. When you found that you could not accomplish what you set out to do, when you could not get a sensible construction program, you decided it was a waste of time and resigned?

Mr. McKESSON. That is right, sir.

The CHAIRMAN. Let me ask you this: If Baker East and Baker West were to be located in the positions in which they are now located, would that save the Russians a vast amount of money and effort insofar as jamming our radio signals is concerned?

Mr. McKESSON. Yes, sir.

The CHAIRMAN. Now, there are many other projects which we cannot get into today. It is nearly 5 o'clock.

Can you estimate the overall waste, solely in the construction program, which has occurred up to this date, with which you are familiar?

Mr. McKESSON. As to what I am familiar with, my estimate is on the order of \$31 million.

The CHAIRMAN. And that includes bases that we are building throughout the world?

Mr. McKESSON. That includes other than Baker East and Baker West; yes, sir.

The CHAIRMAN. Now, has it ever been suggested by those who have worked with you in the Voice that this mislocation of stations, the waste in the construction program, has not been entirely as a result of incompetence, but that some of it may have been purposely planned that way? Keep in mind we are not reflecting upon Dr. Compton or General Stoner at this time, but I am talking about the general conversation you heard by the Americans in the Voice.

Mr. McKESSON. That is a conclusion which I was forced to reach a number of times on a number of projects.

The CHAIRMAN. In other words, you feel that mere incompetence could not explain away all this waste?

Mr. McKESSON. No, sir.

The CHAIRMAN. Senator McClellan?

Let me complete the record, first, if I may.

The chief engineer was a Mr. Herrick?

Mr. McKESSON. That is right.

The CHAIRMAN. And Mr. Herrick was your superior?

Mr. McKESSON. Yes, sir.

The CHAIRMAN. I think that we should at this time refer to the record of Mr. Herrick as gotten from the New York University.

Mr. Herrick, according to his testimony, went to preengineering school for 1 year. We will read into the record his grades obtained at that time. And may I make it clear that I am not, at this time, trying to reflect upon Mr. Herrick. There are many fine individuals who would not make good engineers. I do not think I would make a good engineer myself. I do not think many of the Senators here would make good engineers. But to select a man who is not an engineer as chief engineer is where the error lies.

Now, he had 1 year of preengineering work. These are the grades gotten from New York University, from the registrar's office. General chemistry, first term, failure; second term, D. Chemistry, qualitative analysis, first term, D; second term, D. Mathematics, analytical geometry, failure; second term, and advanced algebra and calculus, failure. Mechanical drawing, first term C; second term, descriptive geometry, D; military science, first term B; second term, B; English, first term, D; second term, D. Public speaking, first term, C; second term, A.

He passed in public speaking.

I think it should be noted in the normal college, not only New York University but in the normal college, he would not have received sufficient credit points to continue the second year.

Do you know of any reason, Mr. McKesson, why a man who was not a graduate engineer, who flunked out in his preengineering course, should be the chief engineer in selecting those sites, regardless of how fine a gentleman he may be otherwise?

Mr. McKESSON. No, sir; I do not.

The CHAIRMAN. Do you think that man was equipped for his job?

Mr. McKESSON. I did not think so, sir.

The CHAIRMAN. I may say in fairness to Mr. Herrick that he did advise, according to his testimony, in June or July of 1952, that Baker West should be moved south to the location which you suggest.

So Mr. Herrick was in agreement that Baker West and Baker East were improperly located?

Mr. McKESSON. Right.

The CHAIRMAN. Also, to have the record clear, we should point out that Mr. Herrick was demoted since the hearings commenced in New York and is no longer chief engineer.

Senator McClellan?

Senator McCLELLAN. How long were you with the Voice of America?

Mr. McKESSON. Approximately 3 years.

Senator McCLELLAN. Three years?

Mr. McKESSON. Yes, sir.

Senator McCLELLAN. I was very interested in your answers to Senator McCarthy's questions regarding this situation being the result solely of incompetency. I had in mind to ask you before he interrogated you if, from your connections with the Voice of America and your training as an engineer and your experience and your associations with those responsible for having made this decision, you did come to the conclusion that the location of these stations so as to, first, cost 10 times as much; second, make them less efficient in performing the services they were intended to render; and, third, make it easier for Russia to jam the signals, was by design and not as a result of incompetency? Did you come to that conclusion?

Mr. McKESSON. Yes, sir; I did.

Senator McCLELLAN. Now, can you give us the source of the responsibility for that decision, or those decisions? If it was done intentionally and knowingly and by design, can you give us any intimation as to where the real responsibility lies?

Mr. McKESSON. I do not believe I am qualified to answer this, sir. Everybody is entitled to some mistakes, but nobody is entitled to all mistakes. [Laughter.]

Senator McCLELLAN. And all mistakes were made in this?

Mr. McKESSON. Yes, sir.

The CHAIRMAN. Do you think if a man is merely stupid he cannot be consistently mistaken; that he has to make a right decision once in a while?

Mr. McKESSON. That is right.

The CHAIRMAN. One other question. Did you, as a project engineer, Mr. McKesson, continuously oppose, either orally or in writing, the location of Baker East and Baker West in their present sites?

Mr. McKESSON. Yes, sir.

The CHAIRMAN. For the same reasons that you have set forth today?

Mr. McKESSON. Yes, sir.

The CHAIRMAN. Are you aware of the fact—and you may not be the witness to testify here, and on this I am not sure; we have a man from the Bureau of Standards here—are you aware of the fact that the Voice, instead of consulting the Bureau of Standards, which has been conducting propagation studies for some time and is expert on that, instead of consulting the Bureau of Standards, where they could have gotten this advice free and the studies free, contacted Massachusetts Institute of Technology, has paid MIT approximately half a million dollars, even though while MIT is very well equipped to conduct certain technical studies apparently they are newcomers in this propagation of radio signals field? Or would you rather have me ask that question of the Bureau of Standards?

Mr. McKESSON. I was aware of that personally; yes, sir.

The CHAIRMAN. May I ask Mr. Smith, from the Bureau of Standards, a question?

TESTIMONY OF DR. NEWBERN SMITH, CHIEF, CENTRAL RADIO PROPAGATION LABORATORY, UNITED STATES BUREAU OF STANDARDS

Dr. SMITH. Yes, sir.

The CHAIRMAN. Will you give us your full name?

Dr. SMITH. Newbern Smith.

The CHAIRMAN. S-m-i-t-h?

Dr. SMITH. Yes, sir.

The CHAIRMAN. You are reminded that you are under oath now. You were sworn the other day.

Is it a fact that the Voice never contacted the Bureau of Standards when they were considering the location of Baker East and Baker West?

Dr. SMITH. That is correct. We were never formally contacted.

The CHAIRMAN. What is your title at the Bureau?

Dr. SMITH. Chief of the Central Radio Propagation Laboratory.

The CHAIRMAN. And you have been conducting a study for this committee; have you?

Dr. SMITH. That is correct.

The CHAIRMAN. To determine the wisdom and feasibility of shifting Baker West to a different location?

Dr. SMITH. We have been conducting a study, sir, to determine the relative reliability of transmissions from the various points under consideration.

The CHAIRMAN. And you have given us a preliminary report?

Dr. SMITH. Yes, sir.

The CHAIRMAN. And that preliminary report backs up Mr. McKesson's testimony, does it?

Dr. SMITH. Essentially.

The CHAIRMAN. And if the Voice had asked you for that report when they were selecting a site for Baker West and Baker East, you could have given them the same service you are now giving this committee?

Dr. SMITH. That is correct, sir.

The CHAIRMAN. And am I correct in this: that your preliminary report indicates that it was a mistake from a propagation standpoint to locate Baker West in the Seattle area?

Dr. SMITH. The indications from our preliminary survey are that from a propagation standpoint it was not a wise decision.

The CHAIRMAN. It is 5 o'clock.

Senator JACKSON, did you have anything further?

Senator JACKSON. No; I have no questions.

The CHAIRMAN. Senator McClellan, before you leave, I had these gentlemen come down here today, and I did not want to keep them sitting around. We started a hearing this morning, which is far from concluded, and that is upon the possible intimidation of witnesses. We have a very important matter here. Which would you prefer that we continue tomorrow morning?

Senator JACKSON. Why do we not finish this?

Senator McCLELLAN. I would think so.

The CHAIRMAN. We will meet in 357 at 10:30 in the morning.

Can you be here, Mr. McKesson?

Mr. MCKESSON. Yes, sir; I can be here.

The CHAIRMAN. And if Dr. Stoner and Mr. Compton can be here, I would like to have you hear this testimony, because you may want to answer some of this before we get through. And Dr. Smith, from the Bureau of Standards, will be here, too.

I would like to point out that if the Voice goes through with the proposed action, the action which they propose today, that is, following the advice to move those stations down to a better area, it will undoubtedly mean an initial saving of about \$18 million.

I would like to compliment the staff of this committee and the other Senators for what appears to be, in the first week of your work, a saving of about \$18 million.

(Whereupon, at 5:05 p. m., the hearing was adjourned until Tuesday, February 17, 1953, at 10:30 a. m.)

STATE DEPARTMENT INFORMATION PROGRAM—VOICE OF AMERICA

TUESDAY, FEBRUARY 17, 1952

UNITED STATES SENATE,
SENATE PERMANENT SUBCOMMITTEE ON INVESTIGATIONS,
OF THE COMMITTEE ON GOVERNMENT OPERATIONS,
Washington, D. C.

The subcommittee met, pursuant to Senate Resolution 40, agreed to January 30, 1953, in room 357 of the Senate Office Building, Senator Joseph R. McCarthy, chairman, presiding.

Present: Joseph R. McCarthy, Republican, Wisconsin; Senator Everett M. Dirksen, Republican, Illinois; Senator John L. McClellan, Democrat, Arkansas; and Senator Henry M. Jackson, Democrat, Washington.

Present also: Roy Cohn, chief counsel; Donald Surine, assistant counsel; David Schine, chief consultant; Henry Hawkins, investigator; and Ruth Young Watt, chief clerk.

The CHAIRMAN. Mr. Moran, will you take the witness stand?

You are reminded that the oath which you took the other day is still in effect.

Mr. Moran, you were with the Voice of America?

TESTIMONY OF JAMES M. MORAN

Mr. MORAN. That is right.

The CHAIRMAN. In what capacity?

Mr. MORAN. I was director of the Honolulu relay base and chief radio engineer with the American Embassy in Ceylon.

The CHAIRMAN. Will you speak a little louder, Mr. Moran?

You were Director of the Honolulu relay base.

Mr. MORAN. And chief radio engineer in Ceylon.

The CHAIRMAN. And your name is?

Mr. MORAN. James M. Moran.

The CHAIRMAN. Spelled M-o-r-a-n?

Mr. MORAN. That is right.

The CHAIRMAN. And when did you go with the Voice?

Mr. MORAN. I went with the Voice in July of 1949.

The CHAIRMAN. When did you leave the Voice?

Mr. MORAN. In February of 1953.

The CHAIRMAN. February of this year?

Mr. MORAN. February, the 2d.

The CHAIRMAN. Less than 2 weeks ago?

Mr. MORAN. That is right.

The CHAIRMAN. Will you tell us why you left the Voice?

Mr. MORAN. I left the Voice on account of mismanagement and the way things are handled, especially as regards the transmitter projects and installations at foreign bases, and so forth.

The CHAIRMAN. I am sorry. I had people talking to me from both sides. I did not hear what you said.

Mr. MORAN. I said I left the Voice of America on account of the mismanagement and the way things were handled in general.

The CHAIRMAN. Will you give us the specific examples of mismanagement or waste?

Mr. MORAN. Well, an example that I know most about was the installation in Ceylon.

The CHAIRMAN. Proceed.

Mr. MORAN. Here we are planning to spend approximately \$1 million in a country which is shipping strategic materials, rubber, to communistic China.

The CHAIRMAN. How long were you in Ceylon?

Mr. MORAN. I was there 3 months.

The CHAIRMAN. And you went there under the directions of the Voice?

Mr. MORAN. That is right, sir.

The CHAIRMAN. When you got to Ceylon what did you find the condition to be?

Mr. MORAN. I found that when I arrived there, in January of 1952, the Ceylonese had started shipping rubber to Red China in October of 1951. So I was to, originally, function under the technical assistance point 4 program. When the Ceylonese began shipping rubber, of course, due to the Kem amendment of the Battle Act, this no longer could be done. Under the Kem amendment, as you know, any country sending strategic materials to a Communist nation is automatically barred from point 4 assistance.

The CHAIRMAN. How much is the proposed cost of the project in Ceylon, if you know?

Mr. MORAN. It is approximately a million dollars as it stands now.

The CHAIRMAN. Do you know how much of that has been spent up to this date?

Mr. MORAN. I don't know exactly. I would say approximately a half million.

The CHAIRMAN. Does the staff have a copy of the contract covering the Ceylon project?

Mr. MORAN. I have a copy of the agreement here.

The CHAIRMAN. May I have that, Mr. Moran?

This copy will be marked as an exhibit and made part of the record.

(The contract referred to was marked "Exhibit No. 2a" and may be found in the files of the subcommittee.)

The CHAIRMAN. Or if you would prefer keeping this original—

Mr. MORAN. I would like to keep that if I can.

The CHAIRMAN. Then we will substitute a copy.

I notice you have your own notations on it.

Mr. MORAN. Yes; I have notes written on it.

The CHAIRMAN. Mr. Moran, do I understand that this contract provides that when the construction is completed, all of the facilities will belong to the Ceylonese Government?

Mr. MORAN. That is right. They will be responsible for the operation and maintenance during the term of the agreement.

The CHAIRMAN. In other words, we lose ownership the day that the project is completed?

Mr. MORAN. That is right, sir. Title to such facilities is transferred to the Government of Ceylon for 1 rupee.

The CHAIRMAN. How much control do we have over the material broadcast over this Ceylonese station?

Mr. MORAN. Under paragraph 10 of the agreement, we don't have much, if any, control. That paragraph gives them the power of censorship, under which they can say that this program is prejudicial to Ceylon, or that program is prejudicial to Ceylon, and you have got to take it off the air.

The CHAIRMAN. Perhaps I should read paragraph 10 into the record.

"The Department"—that means the State Department?

Mr. MORAN. Right.

The CHAIRMAN (reading) :

The Department recognizes the right reserved by the Government of Ceylon to give approval to the schedule and to the contents of its broadcasts from Radio Ceylon.

Do you interpret that to mean that this gives the Ceylonese Government the power to censor any of our Voice broadcasts from Ceylon?

Mr. MORAN. It certainly does, Senator.

The CHAIRMAN. Now, how about the receiving facilities at Ceylon? How do you receive the material that will be broadcast over Radio Ceylon?

Mr. MORAN. The receiving facilities are very unsatisfactory. I arrived there to find that out, not being aware of it before.

The CHAIRMAN. Mr. Compton, if you care to sit up here where you can hear this testimony better, you are welcome to do so.

Mr. COMPTON. This is all right. I can hear.

The CHAIRMAN. Pardon the interruption.

Mr. MORAN. I arrived there to find out that they had a very inefficient receiving location. The receiving location and facilities belonged to the Post and Telecommunications Ministry of Ceylon, who had loaned it to Radio Ceylon.

The CHAIRMAN. Let me interrupt you.

General Stoner, you can either sit at that table, or if you can not hear there, sitting behind the witness, you can have a chair up here at the front table, whichever you care to.

Again pardon the interruption.

Mr. MORAN. Repeating what I said, the receiving facilities are very inefficient. As I say, they were loaned to Radio Ceylon by the Ministry of Post and Telecommunications. The antennas are not beamed on Tangier, which was to be our relay point.

The CHAIRMAN. Speak a little louder, Mr. Moran. There is so much noise here.

Mr. MORAN. The receiving antennas are not beamed on Tangier, which was to be our relay point. They are beamed on London. One of the antennas was out of use, due to some road construction, so we only had two for what we call a diversity setup. The antennas were too close to each other to have much, if any, diversity effect.

The CHAIRMAN. You are referring now to the receiving antennas?

Mr. MORAN. The receiving antennas, which were loaned to Radio Ceylon by the Post and Telecommunications Ministry.

The CHAIRMAN. Unless you could properly receive, you have nothing to transmit?

Mr. MORAN. Especially in that part of the world. Receiving would never be as good, probably, as our other bases because of the great distances the relayed signal must travel.

The CHAIRMAN. Now, you have told us that under this contract the Ceylon Government has the right to censor; also that you found them dealing freely with Communist China?

Mr. MORAN. That is right.

The CHAIRMAN. From your stay in Ceylon, your contact with the Ceylonese Government, can you describe the political makeup of that Government?

Mr. MORAN. As I understand it, the present government is the United Party. There are 101 seats in the House of Representatives, of which the United Party has 66.

The CHAIRMAN. The United Party is the so called Conservative Party, is it?

Mr. MORAN. The Conservative Party. The anti-Communist Party, I think they call it, too.

The CHAIRMAN. So that the anti-Communist Party at this time does have control of the Ceylonese Government by a margin of about 66 to 35?

Mr. MORAN. That is right.

The CHAIRMAN. And how about the other 35? I understand they are not all Communists.

Mr. MORAN. No. Of the 35, some are what they call the Opposition Party of which some are Communists, some are Socialists, and various splinter groups of other factions, of which there are quite a few.

The CHAIRMAN. Do you have the openly admitted Communist Party members numbered in the other 35?

Mr. MORAN. Oh, yes.

The CHAIRMAN. In other words, the Communist Party is a recognized party there?

Mr. MORAN. Yes, sir. It is well known.

The CHAIRMAN. You do not know how many of the 101 are members of the Communist Party?

Mr. MORAN. No; I don't.

The CHAIRMAN. And how about the so-called executive branch of the Ceylonese Government?

Mr. MORAN. Well, I couldn't say as to that.

The CHAIRMAN. You do not know about that?

Mr. MORAN. No; I don't.

The CHAIRMAN. Now, does the contract provide that in case it becomes too difficult for us to broadcast from Ceylon, we may remove our equipment?

Mr. MORAN. That is right. According to the agreement we can remove our equipment.

Senator DIRKSEN. Did the witness say we can, or cannot?

The CHAIRMAN. He said, "We can."

Would it be feasible to remove it? Would the cost be greater than the value of the equipment?

Mr. MORAN. In all probability, the cost would be so much to dismantle and move and ship it that probably it would not be moved

at all. The Ceylonese Government would get the transmitters for little or nothing.

The CHAIRMAN. In regard to the subject of censorship, I am marking at this time as "Exhibit No. 2b," the Parliamentary Debates, House of Representatives, 1951, in which the membership of the Ceylonese Parliament discuss the censorship power which they have over Radio Station Ceylon, in which the leader of the United Party, apparently a leader friendly to us, points out that they have the complete right of censorship; that they can make it so difficult for the United States when they see fit that we will have to withdraw, and for that reason the argument was that it was an excellent thing for Ceylon to have us proceed to construct bases in Ceylon.

This will be marked as an exhibit, but will not be recopied into the record, Mr. reporter. It will be available to the Senators.

(The document referred to was marked Exhibit No. 2b and may be found in the files of the subcommittee.)

Mr. MORAN. There is one thing more, Senator, if I can bring it out, that complicates the situation more, in that Radio Ceylon is also a commercial station. Any advertiser objecting to any of the VOA programs could also bring pressure on Radio Ceylon to either get that program off or lose the commercial contract.

The CHAIRMAN. I may say that is pointed out in the Parliamentary Debates also.

How about Manila, the Philippines, as an alternative site to Ceylon, where you would not have the same difficulty, you would have in Ceylon?

Mr. MORAN. In my opinion, Manila would be just as good. Since they would be under the protection of the American forces, they would not be as vulnerable as a country like Ceylon.

The CHAIRMAN. Do you know why we located in Ceylon?

Mr. MORAN. The idea, of course, was to cover India. That was, as I understand it, the primary purpose. Of course, I was in Honolulu, and the planning was worked out in New York without my knowledge. I was just asked to go to Ceylon and I went over.

The CHAIRMAN. Do you know anything about the new proposed construction on Ceylon, in addition to the million-dollar project you talk about?

Mr. MORAN. There are plan in a future budget to install additional transmitters of higher power and also install a program center with studios, the idea being that it was proposed to originate directly from Ceylon.

The CHAIRMAN. Do you know the estimated cost of that project?

Mr. MORAN. I would say about \$10 million.

The CHAIRMAN. I am not sure if you put into the record a history of your background so far as electrical or radio engineering is concerned.

Mr. MORAN. No; I haven't. Not so far.

The CHAIRMAN. In order to better evaluate your testimony, I think the Senators should have your complete background insofar as your experience in radio and electrical engineering is concerned.

Mr. MORAN. Well, I was 14 years in the technical phases of the commercial radio broadcasting industry; I was in the service, a lieutenant commander in the Navy, for 4 years; and I was connected with the Bureau of Aeronautics, where I handled administration of research and development for electronic warfare, handling the initiation

of contracts, liaison between the other services, traveling to contractors to see if they were complying with Navy specifications; and then, after I left the service, I did the same work as a civilian in the Bureau of Aeronautics. I just changed my uniform, so to speak. I was there until July of 1949, until I went with the Voice of America.

The CHAIRMAN. Now, assuming, for the time being, that the location in Ceylon is a proper location, assuming that that is the best location in that area, can you give us any examples of waste in the construction contracting?

Mr. MORAN. The example of waste I mentioned a while ago which was the inadequate receiving facilities. Apparently no thought was given to that. And now a new receiving site must be located. That must be installed and paid for before the present facilities will even be of much advantage.

The CHAIRMAN. Do you know if the new budget calls for the construction of a receiving station?

Mr. MORAN. That is being planned, as I understand it—to install a new receiving station. I think plans are already under way.

The CHAIRMAN. But your position is that until the receiving station is constructed the broadcasting station will be of no use whatsoever?

Mr. MORAN. That is right.

As far as picking up the relay points, like Tangier or Munich, they can play recordings in Ceylon, which, of course, would not be subject to the noise and the interference picked up in the relay.

The CHAIRMAN. May I ask Mr. Smith, of the Bureau of Standards, whether your department has ever been called upon to make a study from the propagation standpoint, as to whether Ceylon is more desirable than Manila, the Philippines, keeping in mind the target area that the Voice has in mind?

TESTIMONY OF DR. NEWBERN SMITH, CHIEF, CENTRAL RADIO PROPAGATION LABORATORY, UNITED STATES BUREAU OF STANDARDS

Dr. SMITH. No, sir; to my knowledge we have never been called upon for such a study.

The CHAIRMAN. I wonder. It seems unusual the Voice has not asked you to do that. In view of the fact that it has not, I believe this committee will ask you to do that.

I hate to load additional work upon you, but I think this is very important.

May I ask Mr. Compton or Mr. Stoner: I wonder if you could tell me whether MIT or RCA or any other engineering outfit has been asked to make such a study?

TESTIMONY OF WILSON COMPTON, ADMINISTRATOR, UNITED STATES INTERNATIONAL INFORMATION ADMINISTRATION; AND GEN. FRANK E. STONER, CONSULTANT, UNITED STATES INTERNATIONAL INFORMATION ADMINISTRATION

Mr. COMPTON. I think Mr. Ross, Senator McCarthy would be better able to answer that. Mr. Ross is of the staff of the Voice of America.

The CHAIRMAN. You do not know, yourself?

Mr. COMPTON. No; I have no idea.

The CHAIRMAN. Mr. Stoner, would you know?

Mr. STONER. I could not say, sir. We have our own central frequency staff in New York, and I think it was dependent on their judgment whether or not the outside assistance should be obtained.

The CHAIRMAN. I see.

May I ask, Mr. Stoner or Mr. Compton, either of you who care to answer this question: We found that about \$600,000 was spent on propagation studies by MIT. The evidence has been that while MIT is exceptionally well qualified to make studies in certain technical fields, this propagation study is rather new to them.

It is very clear that the Bureau of Standards would have done this for the Voice for nothing, is apparently better equipped to do it than MIT. I am just very curious to know why the Voice never asked the Bureau of Standards to make a propagation study in connection with Baker East or Baker West or any of the other projects, why we spent that \$600,000.

Mr. COMPTON. If I may answer that, I would be curious, too, Senator.

Mr. Ross (Julius Ross, Acting Assistant Chief, Engineering Division). May I comment on that?

Mr. COMPTON. I am not sure that they haven't. I would think it was commonsense that they should have. I noticed the statement made yesterday was that so far as the person making the statement knew, they had not been asked, but I think you should give us an opportunity to find out exactly what inquiry was made, if any. I don't know.

The CHAIRMAN. Mr. Smith, here, is in charge of that project over in the Bureau of Standards. The inquiry would have come to him. He has testified under oath that no such inquiry was even made of the Bureau of Standards.

I think it should be pointed out that Mr. Compton was not with the Voice at the time the original studies were made. Is that correct?

Mr. COMPTON. That is correct; yes.

The CHAIRMAN. I am not sure that we have the date that you came with the Voice in the record.

Mr. COMPTON. Beg pardon?

The CHAIRMAN. I am not sure we have the date that you came with the Voice in the record.

Mr. COMPTON. The 20th of January 1952.

The CHAIRMAN. The 20th of January 1952. And, General Stoner, you came with the Voice as a consultant on what date?

Mr. STONER. April the 11th, 1952.

The CHAIRMAN. April 11, 1952. So both of you came with the Voice after the original locations were picked?

Mr. COMPTON. That is correct.

The CHAIRMAN. Can either of you tell me who picked Mr. Herrick as the chief engineer? We have had the very unusual situation develop here of finding that the chief engineer was not an engineer, that in fact he took 1 year of engineering and flunked his courses in engineering, and I would just wonder why he would be the chief engineer in charge of this tremendously sizable project.

Mr. COMPTON. I presume, Mr. Kohler, who was with the Voice of America for 3 years until last August; and then he was succeeded by

the present director, Mr. Morton. That could easily be found out, Mr. Chairman. I don't happen to know.

The CHAIRMAN. I would like to know who did select Mr. Herrick and who gave him that job? I understand from the testimony heretofore taken that he was originally at OWI and that he was then blanketed into the State Department with other OWI employees. And it would be rather interesting to find who gave this particular man the job as the chief engineer. And I am not attempting to reflect upon him. Many fine men are put in jobs that just leave them a little over their head, and I know very little about the man, Herrick, except his engineering abilities.

Mr. COMPTON. I know that Mr. Kohler very staunchly and consistently sustained Mr. Herrick as competent in his job. Whether he selected him, I do not know.

The CHAIRMAN. Mr. Compton, let me say this: that I realize that going into a project as vast as this Voice of America and as rapidly growing as the Voice of America has been growing, you may have found it tremendously difficult to get your finger on everything within the short period of time you have been there.

Let me ask you this, though: Do you think it is wise to throw another five or ten million dollars into Ceylon, which is doing business with Red China, which has apparently a heavy Communist element in the Government, which has even power to censor our broadcasts both from the standpoint of content and from the standpoint of whether or not it interferes with the commercial program from Ceylon? Does that sound like a sensible idea, if you can find some other broadcasting point such as Manila in the Philippines?

Mr. COMPTON. No, sir; we have no such intention of making any such investment.

The CHAIRMAN. What is the present plan?

Mr. COMPTON. The present plan is to operate what we have there, which is short wave, and to take no further action.

The CHAIRMAN. When was that decision made?

Mr. COMPTON. Oh, within the last few months.

The CHAIRMAN. But up until very recently you did have plans—

Mr. COMPTON. That is true. The original allocation—I have a document here which in due course I want to give to you, which indicated that the allocation for this project, which was called project Negate, is \$6,372,627.

The CHAIRMAN. Let us get beyond 1949. This is a project that cost roughly a million dollars. There is a contract covering that project.

Mr. COMPTON. \$535,000.

The CHAIRMAN. Yes. Am I correct that that ran closer to a million finally, in the final cost?

Mr. COMPTON. The total obligation at the end of December was \$470,582.

The CHAIRMAN. That is the total obligated. But do you know the total cost of that project when it is completed, what the total cost of that particular project will be?

Mr. COMPTON. I do not.

The CHAIRMAN. You are of the opinion it will be less than a million dollars, in any event?

Mr. COMPTON. That is my understanding, but I haven't the figure.

The CHAIRMAN. You mentioned a figure of—what is the total project at Negate?

Mr. COMPTON. \$6,372,627 was the original allocation to that project.

The CHAIRMAN. Now, in addition to this contract, which you say runs somewhere around \$500,000, or which, according to Mr. Moran, will cost close to a million—in addition to this contract, will you describe the other broadcasting facilities which you are going to build in Ceylon, which would account for the other \$9,400,000, or whatever it happens to be?

Mr. COMPTON. I do not know them in detail, Senator. I merely know that whatever collateral accessories are necessary to put on the air these shortwave transmitters are contemplated in the completion of the present stage, which, as of December 31, was represented by this figure I gave you, \$470,582.

Senator DIRKSEN. Mr. Chairman, may I ask:

Mr. Compton, what do you charge into this? You charge supervisory cost, travel, subsistence from here, or is this bare equipment cost you are talking about?

Mr. COMPTON. My understanding is that it is the total cost. This is supposed to include all necessary travel incident to the construction.

Senator DIRKSEN. Well, you say it is your understanding. Do you know?

Mr. COMPTON. No, I do not know.

Senator DIRKSEN. Very well.

Mr. COMPTON. But I can find out. I think Mr. Ross would know, if you care to ask him.

The CHAIRMAN. Forgetting about this project that you say costs \$500,000, and Mr. Moran says costs close to a million, you tell us the total application was \$10,400,000. What was the other nine or ten million dollars to be spent for?

Mr. COMPTON. For megawatt relay transmitter.

The CHAIRMAN. And were you also going to set programing facilities, in other words, one of your main offices, in Ceylon?

Mr. COMPTON. I have no knowledge about that.

The CHAIRMAN. When did you abandon this nine or ten million dollar project? When was that abandoned? Or do you still plan on a \$10,400,000 project in Ceylon? When did you abandon it, and why?

Mr. COMPTON. That is a part of the so-called total ring plan. This is merely a part of that. And we reached a conclusion some time ago as a result of the surveys largely initiated by General Stoner in the last several months, that the thing to do was to test the validity of the whole conception of the ring plan, the facilities that are now provided, and not ask for any further ones.

The CHAIRMAN. By the ring plan, you mean the plan of having a ring of broadcasting stations around the Communist-controlled countries?

Mr. COMPTON. That is correct. That was submitted, I believe, to the Congress in 1950, I think in the summer of 1950.

The CHAIRMAN. Now, I am not trying to force you to answer something that you cannot answer, Mr. Compton, but if you or General Stoner can tell me this, I would like to know when you abandoned all

construction beyond that covered in this contract. Do you follow me? You said your total program was to spend \$10,400,000 in Ceylon. We have a contract before us which you say calls for the expenditure of about half a million dollars. Mr. Moran says he thinks it was closer to a million dollars I believe.

Now, forgetting for the time being which of you are correct in that, whether it is \$500,000 or a million, when did you abandon the construction?

Mr. COMPTON. I am not aware that any construction was ever undertaken, Senator.

The CHAIRMAN. Did I misunderstand you when I thought you said that the original plan called for the expenditure of \$10,400,000 in Ceylon? Did I understand you correctly in that?

Mr. COMPTON. That is correct.

The CHAIRMAN. All right. You no longer plan on spending \$10,400,000 in Ceylon?

Mr. COMPTON. We have never had the funds to spend in the first place, so it couldn't have been undertaken.

The CHAIRMAN. Are you still asking for the funds?

Mr. COMPTON. No, sir.

The CHAIRMAN. When you planned the expenditure of \$10,400,000 at that time you were asking for the funds. Right?

Do I make myself clear, Mr. Compton?

Mr. COMPTON. Originally, I think the entire proposed construction of the ring plan, including the appropriations for it, was asked in 1951. I think there was an estimate before both the House and the Senate for a total of close to a hundred million dollars.

The CHAIRMAN. Mr. Compton, can you or your chief consultant—and you were the man in charge of this program—tell me whether you have abandoned the idea, the plans, of spending \$10,400,000, in Ceylon, or whether you still want to spend that money there? And if you have abandoned that plan, I want to know when you abandoned it and why you did.

Now, as head of the project, the topman over there, you should be able to give us some information over there. You see, we do not know.

Mr. COMPTON. I am not the topman in the Voice of America, Senator, and I am not the Voice of America planner.

The CHAIRMAN. Mr. Compton, let us get your position straight. You are the head of the entire information program, are you not?

Mr. COMPTON. That is true.

The CHAIRMAN. That means that the Voice of America is under you?

Mr. COMPTON. The Voice of America is, of course, a constituent part of it.

The CHAIRMAN. And it works under you?

Mr. COMPTON. That is true.

The CHAIRMAN. You have jurisdiction over it?

Mr. COMPTON. That is true.

The CHAIRMAN. Well, what do you mean by topman. You say you are not the topman. That sounds top to me.

Mr. COMPTON. Well, I mean to say I don't know the answers to all the plans that are in preparation, and I shouldn't answer a question

of that sort without knowing. I merely say we are not asking for funds to carry out any project in Ceylon. We don't have to, in order to complete this small project, this relatively small project, whether it is a million or whether it is a half million, whatever that is. We do not have to ask for further funds. We have funds already appropriated that are ample to provide for that.

Senator DIRKSEN. Mr. Compton, let me ask you: You appeared last year before the House and Senate Committee as Director of IIA to present the justifications and to ask for funds for this information program under the jurisdiction of the State Department. You appeared, did you not?

Mr. COMPTON. That is correct.

Senator DIRKSEN. That includes books, informational libraries, motion pictures, and international broadcasting.

Mr. COMPTON. That is right.

Senator DIRKSEN. So you are the top boss of IIA, and therefore you are the top boss of the so-called international broadcasting of the Voice of America?

Mr. COMPTON. That is correct.

Senator DIRKSEN. Now, last year you asked for \$36 million for new facilities, when you appeared before the House Appropriations Committee. Is that correct?

Mr. COMPTON. I think that is correct. I don't have the figures.

Senator DIRKSEN. That would be roughly about April or May of last year, and you appeared before the Senate committee in June. Right?

Mr. COMPTON. In May, I believe.

Senator DIRKSEN. Roughly about the same time.

Mr. COMPTON. Yes.

Senator DIRKSEN. So you presented your case for the \$36 million in new facilities over there, and the House deleted the whole business. Is that right?

Mr. COMPTON. The House committee recommended \$20 million, approximately.

Senator DIRKSEN. Well, what happened on the floor of the House?

Mr. COMPTON. On the floor of the House it was rejected entirely.

Senator DIRKSEN. So finally you wound up with this broadcasting program with roughly \$21 million in operating funds; is that right? Roughly \$24,000, \$20 million, or whatever it was?

Mr. COMPTON. For the Voice of America?

Senator DIRKSEN. That is right.

Mr. COMPTON. The appropriation did not break it down in Voice of America.

Senator DIRKSEN. Yes. I am just speaking generally. But you asked for \$36 million, and at the time you appeared before the Appropriations Committee you must have had in mind a plan for installing, transmitting and receiving equipment somewhere in the world, to cost \$36 million?

Mr. COMPTON. That is true.

Senator DIRKSEN. All right. Did that \$36 million include the \$10 million contemplated for the island of Ceylon?

Mr. COMPTON. I do not know the answer to that. I could find out.

Senator DIRKSEN. Well, do you mean to say, in your request for equipment and transmission facilities, less than a year ago, you did not know whether it included \$10 million for Ceylon or not?

Mr. COMPTON. I don't know whether it included that particular item. It may or may not have. I can easily get the information for you.

Senator DIRKSEN. Well, you know, \$10 million is like a bass drum or a grand piano. You do not lose that amount very easily.

Mr. COMPTON. I have never had that amount.

Senator DIRKSEN. That is right. You had a plan as late as the time you appeared before the House and Senate committees of \$36 million for facilities. Then I suppose some of it was for Ceylon.

Mr. COMPTON. I can't tell you for certain. I can assure you of having that information. It is available.

Senator DIRKSEN. Well, I am wondering about this plan, Mr. Chairman, to install out there. Because that is only 9 months ago when they requested this of Congress. Now you are trying to find out when this thing was dropped. I would like to know when it was dropped, too, because it must have been a very live subject 9 months ago when they requested \$36 million before the House deleted the whole amount for equipment and facilities.

Mr. COMPTON. Let me remind you, Senator: When I appeared before the House committee in February, the ink was almost dry on my appointment as the Administrator of what you call the IIA.

Senator DIRKSEN. But, Mr. Compton, from that time until you appeared before the Senate committee and was quizzed for, it seemed to me, hundreds of pages, by Senator McCarran, you must have developed some familiarity with this instrument which we are discussing.

Mr. COMPTON. I know that there was approximately \$37 million requested; that the House committee rejected our request for two Baker plants, which would have cost approximately \$10 million apiece, and reduced it approximately \$20 million, or approximately \$21 million of the requested thirty-six or thirty-seven million dollars.

The House itself rejected the recommendation of the House committee. The Senate did not raise the question. There was no hearing in the Senate on the matter of facilities, because the committee didn't choose to take it up, and there was no action on the floor.

Senator DIRKSEN. But in the tabular breakdown, the matter was presented to the Senate. At least it appeared in the record of the hearings, did it not?

Mr. COMPTON. That is right. It was in the budget.

Senator DIRKSEN. Exactly so.

Mr. COMPTON. And the Senate got the budget the same as the House.

The CHAIRMAN. Then, Doctor, will you do this for us?

Will you check with your office and report to us when this additional \$9 million project was abandoned, when you decided to no longer ask funds for it, when you decided it would be unwise? We also want to know why, what caused you to make that decision, whether you planned on building facilities somewhere else, whether you considered them unnecessary, or whether you were going to cut down the service in the area. Can you do that?

Mr. COMPTON. Yes.

The CHAIRMAN. No. 2, in view of the fact that you are head of the entire information program, would it be very difficult for you to give us. No. 1, a table of organization of the various information pro-

grams, including the Voice, and No. 2, a chart, showing the purpose and the function of each information program?

One of the things we intend to go into is the question of overlapping, duplication of facilities, and we have some difficulty finding anyone in the Department who has a very clear picture of just what each information program is designed to do.

Mr. COMPTON. I would be glad to give that to you.

The CHAIRMAN. I do not want to rush you, but just how soon could you have that prepared for us? It would perhaps take some little time, I assume?

Mr. COMPTON. We probably can give you a chart right away. We can give you an explanation right away. It may not be regarded by you as totally adequate for the purpose you have in mind.

Senator DIRKSEN. Mr. Compton, when did you go before the Budget Bureau with respect to estimates for 1954? Probably September or October?

Mr. COMPTON. I think it must have been October. It may have been September.

Senator DIRKSEN. Did you make a request for fiscal 1954 for funds for Ceylon?

Mr. COMPTON. I can get you that information, exactly what was in it.

Senator DIRKSEN. I am not concerned for the moment now about what finally came to Congress in the estimates for 1954. I am interested in the request that you made to the Budget Bureau, through the budget officer of the State Department, some time in October, whether you requested funds to go ahead with this Ceylon project. Because we can determine later what the State Department action might have been or the Budget Bureau action. But would you not know whether you requested this money, in October, for the next fiscal year?

Mr. COMPTON. I don't have that record here.

Senator DIRKSEN. Does it not occur to you, since it involves nearly \$10 million—

Mr. COMPTON. I don't think it was in. But I am not positive.

Senator DIRKSEN. Did you appear before the Budget Bureau yourself?

Mr. COMPTON. I did on one occasion for about an hour. I did not discuss any of these matters.

Senator DIRKSEN. You have a budget officer in IIA?

Mr. COMPTON. Yes.

Senator DIRKSEN. You can find out from him about this?

Mr. COMPTON. Oh, yes. The answer is easily available. I can get it on the telephone.

The CHAIRMAN. Do you have any of your aides here with you, Mr. Compton?

Mr. COMPTON. Mr. Ross.

The CHAIRMAN. Would you tell Mr. Ross who to call?

I wonder if you would get on the telephone and get that information for Senator Dirksen? In fact, I think we should have your budget officer down here.

Would that cause a hardship on your office if we called him down here?

Mr. COMPTON. No. You would like to have the estimates submitted—

Senator DIRKSEN. No; we want the original request that you made through the budget officer of the State Department to the Director of the Budget for inclusion of this money in the budget for 1954.

Now, mind you, the State Department budget officer and the State Department authorities may have cut it out before it ever got to the Budget Bureau. The request, however, had to be initialed in IIA. Was it in your original request for funds for 1954?

Mr. COMPTON. We can find that out. I do not happen to know.

The CHAIRMAN. Also, this budget officer will be able to tell us what is currently available for each project, what has been appropriated, what is being asked for now? He will be able to give us that information?

Mr. COMPTON. The budget officer, I am sure, can do that.

The CHAIRMAN. Will you instruct your man to call him, the budget officer, and tell him to come down?

Mr. COMPTON. Yes.

The CHAIRMAN. Mr. Compton, you were about to describe the various information services under your jurisdiction. Would you rather wait and prepare a table on that?

Mr. COMPTON. I thought you had asked me for a chart and an explanation of the functions of each part of the Information Services.

The CHAIRMAN. I thought you said you were prepared to give us that information now?

Mr. COMPTON. I meant any time. I don't have the chart here.

The CHAIRMAN. I see. Well, can you describe in the record the various information programs over which you have jurisdiction, and then give us a chart later?

Mr. COMPTON. Yes.

The CHAIRMAN. And their functions and purposes?

Mr. COMPTON. Would you wish it right now?

The CHAIRMAN. Right now; yes.

Mr. COMPTON. The International Information Service organization includes, in addition to the Voice of America, which is known as the International Broadcasting Service, which is in New York and under the direction of Alfred H. Morton, the Deputy Administrator, the International Motion Picture Service, which is located here, under the direction of an Assistant Administrator, Mr. Edwards.

The CHAIRMAN. Mr. Edwards?

Mr. COMPTON. Edwards.

The CHAIRMAN. What is his first name?

Mr. COMPTON. Herbert.

The CHAIRMAN. Herbert Edwards?

Mr. COMPTON. Yes, sir. The International Press Service under an Assistant Administrator, Mr. Charles P. Arnot, A-r-n-o-t.

The CHAIRMAN. I did not get the name of the man heading IBS.

Mr. COMPTON. Alfred H. Morton.

The CHAIRMAN. Alfred Morton.

What is Mr. Foy L. Kohler's position?

Mr. COMPTON. Mr. Kohler has not been connected with the Voice of America since last August.

The CHAIRMAN. Since last August. And what was the occasion of his removal?

Mr. COMPTON. Mr. Morton was appointed to the position which he occupies.

The CHAIRMAN. And where is Mr. Foy Kohler now? Is he with the Voice?

Mr. COMPTON. I am not informed as to his present assignment. He is a Foreign Service officer.

The CHAIRMAN. Did you ask him to resign for cause? Or why was he removed?

Mr. COMPTON. His term, his normal term of departmental service as a Foreign Service officer would have ended this past summer, and we concluded not to ask him to remain any further.

The CHAIRMAN. Is he still in the Foreign Service?

Mr. COMPTON. He is a Foreign Service officer, and I assume he is still in the Foreign Service.

The CHAIRMAN. I do not know what you mean when you say his normal term in the Foreign Service would have expired this summer.

Mr. COMPTON. The Foreign Service, as I am informed—and I am not a member of the Foreign Service—has a pattern of assignments, rotating assignments, including what the Foreign Service regulations call departmental assignments. This is a departmental assignment. And that is normally for a 3-year period. It can be extended, on request, to 4 years.

The CHAIRMAN. So as far as you know, he was not removed because of any inefficiency or incompetency or anything of that kind?

Mr. COMPTON. No he was not removed for incompetence, Senator. It is perfectly plain, however, that his views with respect to the Voice of America and the views of the Administrator were not in accord.

The CHAIRMAN. By "the views of the Administrator," you mean your own views?

Mr. COMPTON. I do.

The CHAIRMAN. In other words, did you ask for his resignation or removal or transfer?

Mr. COMPTON. No, I merely refrained from asking that his term of departmental service be extended.

Mr. Kohler had, Mr. Chairman, if I may say, a view which neither General Stoner nor I shared, and many of our advisers, that the answer to the radio program was to get more and more voices on the air in more and more languages. That is not, in my judgment, a satisfactory basis. The view was shared by the gentleman who was my predecessor, insofar as I had a predecessor.

Senator McCLELLAN. Who was your predecessor?

Mr. COMPTON. Thurman L. Bernard, who was what was called the General Manager of the International Information and Educational Exchange Service, which was the general designation, prior to the establishment of the International Information Administration. That is why I say, insofar as there was a predecessor, he at least occupied a position of general responsibility for the whole program.

Mr. Bernard went on a worldwide inspection trip, in the first 6 months of last year, and came back with a number of conclusions, including conclusions about the radio program. And his conclusion, if I may paraphrase a rather long report in a single sentence, was that we, meaning the whole Department, were still far short of finding the answer to the radio problem.

Senator McCLELLAN. Do you have a copy of that report? Did he make a report in writing?

Mr. COMPTON. Yes; he made a report in writing.

Senator McCLELLAN. I would like, Mr. Chairman, to have that submitted to the committee for its inspection.

The CHAIRMAN. It will be so ordered.

Mr. COMPTON. I would be glad to make it available to you.

The CHAIRMAN. By this afternoon at 2 o'clock? Can you obtain it by that time, or is it in New York?

Mr. COMPTON. No, I think it is here.

The CHAIRMAN. We will ask you to submit it at 2 o'clock this afternoon.

Senator McCLELLAN. Doctor, may I ask you another question? You do not know where this man, Kohler, is now?

Mr. COMPTON. He is still in the Department.

Senator McCLELLAN. He is still in the service?

Mr. COMPTON. He is still in the service, still a Foreign Service officer, to the best of my knowledge. I think he is temporarily assigned to some one of the regional bureaus.

Senator McCLELLAN. Let me ask you: Prior to the time you became Administrator, who was the top authority, and who had the final responsibility with regard to this program? Was it Kohler, or your predecessor?

Mr. COMPTON. The top authority was in the Secretary of State.

Senator McCLELLAN. All right. Next to him. Let us get the line of authority so that we can find out who is responsible for this.

Mr. COMPTON. The Assistant Secretary of State for Public Affairs.

Senator McCLELLAN. Who?

Mr. COMPTON. The Assistant Secretary of State for Public Affairs.

Senator McCLELLAN. Who was he?

Mr. COMPTON. It was Mr. Edward Barrett.

Senator McCLELLAN. Mister who?

Mr. COMPTON. Edward Barrett. And then he was succeeded, a year ago, by Howland Sergeant.

Senator McCLELLAN. I am talking about the time these plans were made and these contracts entered into with Ceylon and other governments. I want to find out who was responsible at that time.

Mr. COMPTON. Mr. Barrett was the Assistant Secretary of State for Public Affairs for a period of 2 years, ending in January of last year. All of the contracts which were let within the previous 2-year period came within the period during which he was the responsible head.

Senator McCLELLAN. Next to him, then, in authority, would that have been your predecessor?

Mr. COMPTON. Yes, as far as the Voice of America was concerned.

Senator McCLELLAN. All right. Then, as far as the Voice of America was concerned, the next in authority would be Kohler; was it not?

Mr. COMPTON. Yes.

Senator McCLELLAN. Then we have the Secretary, the Under Secretary, the Administrator, and Kohler. Those are the four top people responsible for this program. Or Assistant Secretary instead of Under Secretary?

Mr. COMPTON. Assistant Secretary.

Senator McCLELLAN. You gave us the name of your predecessor, I believe, Mr. Bernard? Is that correct?

Mr. COMPTON. He was the General Manager, I said.

Senator McCLELLAN. Have they just changed the title since to Administrator?

Mr. COMPTON. No. The Information and Educational Exchange program, prior to a year ago, was administered in five different jurisdictions within the Department of State, in each of the regional bureaus. They had charge of certain portions; that means the European Bureau, the Near East, the Far East, and Latin America. I presume it should include the German Bureau, also. Perhaps you can say there were five geographic bureaus within the Department of State that had certain administrative and operating responsibilities.

Senator McCLELLAN. Well, Doctor, what I am trying to determine is: Where is the source of authority and responsibility, so that this committee can bring them here and get first-hand information from them as to why such a program as this was approved. That is what I want. Let us not have so much lost motion. I would like to see the committee get the responsible people down here.

Mr. COMPTON. Well, the question you asked me, Senator McClellan, was where this responsibility had been located at the time these contracts were let.

Senator McCLELLAN. That is right.

Mr. COMPTON. That is the question that I answered. The action taken a year ago by the Secretary of State in establishing the International Information Administration was to aggregate these 5 or 6 separate authorities in 1 place, called the International Information Administration. And at that point the regional bureaus ceased to have any administrative operating responsibility.

Senator McCLELLAN. But on the basis of the information here developed so far, it seems to me that there is a whole lot more incompetency and just plain stupidity involved in this whole affair, and I want to find out who the responsible heads are who had the final responsibility, and determine whether they were that stupid, or if a great deal of this was apparently by design. Because I think this thing looks rotten on the face of it.

Mr. COMPTON. Well, I think you are talking to the right person to find out where you can get the information.

Senator McCLELLAN. All right. Just give us the full source of it so that we can get them down here.

The CHAIRMAN. May I say also, Doctor, that we would be glad to have you suggest any witnesses that you would like to have this committee call. The picture being presented by the witnesses so far, as indicated by Senator McClellan, and I agree with him wholeheartedly, gives us a very, very uncomplimentary picture of the operations of the Voice.

Now, if you have other witnesses you would like to have called who will testify to the contrary or give us additional information, in other words, any witnesses who you think will be helpful in presenting a complete and clear picture of the entire information program, and if you will suggest their names, we will be glad to call them. You need not do that now. You can give us a list of those witnesses if you care to.

Mr. COMPTON. I can give you some of them right now, in response to your invitation of last evening.

The CHAIRMAN. Very good. Do you want to do that right now?

Mr. COMPTON. Mr. Ross, as I indicated, here—

The CHAIRMAN. Give us his full name, will you?

Mr. COMPTON. Ross. Julius Ross.

The CHAIRMAN. And Mr. Ross's title is what?

Mr. ROSS. Acting Assistant Chief of the Engineering Division.

The CHAIRMAN. Acting Assistant Chief of the Engineering Division.

Mr. COMPTON. He was Mr. McKesson's superior officer.

The CHAIRMAN. Acting Assistant Chief of the Engineering Division of the Information Program, or of the Voice?

Mr. ROSS. International Broadcasting Service.

The CHAIRMAN. I see. Known as the Voice of America. Right?

Mr. ROSS. Right.

The CHAIRMAN. And your immediate superior was Mr. Herrick?

Mr. ROSS. Yes, sir.

The CHAIRMAN. And who was the next witness you wanted to call, Mr. Compton?

Mr. COMPTON. Mr. Ring.

The CHAIRMAN. And what is his title?

Mr. COMPTON. Radio engineer-consultant. He is not employed by the Voice of America, and so far as I know never has been, but he has been one of the consultants.

The CHAIRMAN. Mr. Ring has been a consultant? Do you know his first name?

Mr. COMPTON. Andrew, I think.

The CHAIRMAN. And you will be able to tell the staff where to get in touch with him, will you?

Mr. COMPTON. He is right here.

The CHAIRMAN. He is right here. And he was a consultant for the Voice?

Mr. COMPTON. He has been a consultant in this program at various stages, I think, for quite some time.

The CHAIRMAN. What do the consultants get per day, incidentally?

Mr. COMPTON. General Stoner informs me they get service fees.

The CHAIRMAN. I want to know the amount.

Mr. ROSS. Most of the activities—

The CHAIRMAN. Let me ask Mr. Compton. What do most of your consultants get per day?

Mr. COMPTON. They get from \$50 to \$75.

The CHAIRMAN. In other words, not less than \$50 and not more than \$75?

Mr. COMPTON. We may have some less than \$50.

The CHAIRMAN. Do you have any over \$75?

Mr. COMPTON. I think we cannot pay, under the law, more than \$75.

The CHAIRMAN. Now, is there any other witness you have in mind you would like to have us call?

Mr. COMPTON. Mr. Carr.

The CHAIRMAN. And who is he?

Mr. COMPTON. He is our radio engineer.

The CHAIRMAN. Is he with the Voice?

Mr. COMPTON. No, sir.

The CHAIRMAN. Is he a consultant also?

Mr. COMPTON. He at least was in this group that met in New York that I mentioned to you last evening, on last Wednesday, and he made the recommendation, a portion of which I read to you.

The CHAIRMAN. Well, you asked us to call him. You must know something about him. Was he one of your consultants?

Was he working for the Voice?

Mr. COMPTON. Off and on he has been.

The CHAIRMAN. For how long? You have some reason to ask us to call him. I just wonder what his background is.

Mr. COMPTON. Well, he knows all about, or knows a great deal about the subject matter that Mr. McKesson brought before this committee.

The CHAIRMAN. You think he would be a valuable witness. All right. We will call him.

And the next one?

Mr. COMPTON. Mr. Morris Pierce, who I understand was formerly employed by the Voice. He is now a broadcaster in Cleveland.

The CHAIRMAN. Mr. Compton, we will allow you to give the balance of the list to the staff, and the staff will be instructed to interview the witnesses, and we will find out what they know about this project. You can give the balance of the list to the staff.

Now, Mr. Compton, let me ask you this. Did you receive any complaints or information about waste in the program, or about kickbacks, or about incompetence?

Mr. COMPTON. I never heard any complaint about kickbacks.

The CHAIRMAN. You have never investigated the subject of kickbacks?

Mr. COMPTON. Beg pardon?

The CHAIRMAN. The Voice, itself, has never investigated the subject of kickbacks?

Mr. COMPTON. Well, to say "never" is beyond my knowledge. I don't know. The Voice is 10 years old and I have been connected with it for a year.

The CHAIRMAN. Under your administration?

Mr. COMPTON. Not that I know of. I never heard of any question of kickbacks.

The CHAIRMAN. Do you know whether the FBI was asked to investigate the question of financial irregularities—let us call it that—within the Voice?

Mr. COMPTON. Well, I myself asked last July, I think it was, that a complete investigation, including anything, financial irregularity, loyalty, security, morals, anything that was objectionable, as a result of certain representations made to me last summer, be investigated.

The CHAIRMAN. Do you, yourself, feel now that there has been considerable waste in the Voice's program?

Mr. COMPTON. Yes; I do.

The CHAIRMAN. I do not imagine you would be in a position to estimate the waste in dollars and cents?

Mr. COMPTON. No. I don't have that competence. My business has been to try to find out where it was and to correct it.

The CHAIRMAN. Keep in mind that when we talk about waste we refer not only to the dollars and cents wasted upon a particular project, but we refer to the wasted effort. The Voice is set up for a particular purpose. If it does not accomplish that purpose, the waste is much more important than the dollars-and-cents loss.

Mr. COMPTON. Well, I mentioned to you the report made to me by Mr. Bernard, or made to the Secretary by Mr. Bernard, and also to

me, about 6 months ago, in which as a result of his own investigations, he concluded that we were far short of having found the answer, the proper answer, to the radio arm of the Information Service.

The CHAIRMAN. At this time, I am going to ask Mr. David Schine, who is a consultant to the committee on the information program, to describe a report which he has here and to read into the record those parts of the report which he considers pertinent to the question I have just asked Mr. Compton.

Senator McCLELLAN. Mr. Chairman, I should like to ask that the staff be directed to locate Mr. Kohler; and let us find out if he is available, and if not, how he can be made available to this committee.

Mr. COHN. We will do that right away.

Mr. SCHINE. This was known as the McKinsey report, and was offered in 1952.

The CHAIRMAN. Let us make it clear that it was the McKinsey report.

Mr. SCHINE. It is the McKinsey report on the International Information Administration. And right at the beginning, the conclusion is as follows:

These findings may be summarily stated:

1. Procurement of materials, supplies, equipment, and services is characterized by:

(a) Poor planning, ineffective preparation of specifications, and duplicating relationships with vendors and contractors.

(b) Weak organization of the purchasing and contract administration functions.

(c) The lack of adequate controls and executive review to insure efficient procurement performance.

2. Construction of physical facilities has been characterized by:

(a) Incomplete planning as to design, probable costs, and time required for completion.

(b) Costly and delaying amendment of design after contracts have been let.

(c) Ineffective or inadequate supervision of expenditures and contractor performance on contracts in force.

(d) Embarrassing inability to explain satisfactorily to congressional committees the reasons for failure to complete facilities when scheduled and at estimated costs.

3. Management of both IBS and NAO is marked by:

(a) Failure to develop precise program goals and accepted yardsticks (e. g., broadcast hours) to facilitate persuasive presentation of fiscal needs for administrative and congressional review and persistent control by officials in charge.

(b) Either a failure to analyze, or ineffective analysis of, critical organizational and day-to-day administrative problems (e. g., unsatisfactory performance of IRD-Radio Supply Depot) or failure to study carefully the actual space required for IBS operations.

(c) Lack of explicitly stated policies and procedures to guide personnel in performance of tasks requiring cooperative action of both agencies.

4. Recruitment of staff authorized for IBS has been delayed by:

(a) Security provisions of Public Law 402.

(b) IBS's own failure to forecast personnel needs accurately and to advise the recruiting unit.

(c) Failure of NAO to recognize the uniqueness of IBS's need for foreign language and engineering personnel and to devise aggressive, positive recruiting programs.

(d) Lack of a unified program and a single agency for handling both domestic and foreign personnel matters.

5. Prevailing division of responsibility for providing administrative services, between the New York administrative office and other elements of IIA is not precisely defined, clearly understood, or accepted by key personnel in these elements. Nor is this division of responsibility and the separate existence of NAO justified by either:

(a) Variety and extent of administrative services it provides to organizational units of IIA or the Department of State other than IBS.

(b) Economy with which administrative services are provided for these units, or

(c) Control it exercises over activities of these units.

This is part of their conclusion.

Mr. COMPTON. I am quite familiar with that, Mr. Chairman, because that investigation was initiated at my request.

The CHAIRMAN. In other words, you issued the order calling for this particular investigation, yourself?

Mr. COMPTON. I did.

The CHAIRMAN. Would you care to tell us what steps you have taken? The date of this is October 1952. Certain recommendations were made in this report, I assume, Mr. Compton?

Mr. COMPTON. Yes.

The CHAIRMAN. Have you taken any steps to put into effect the recommendations made?

Mr. COMPTON. Yes, a good many steps.

The CHAIRMAN. Would you care to describe what you have done to put into effect the recommendations made by this report? Also tell us what the report cost, will you?

Mr. COMPTON. I don't recall what the cost of the report was.

The CHAIRMAN. Can any of your aides tell us what the report cost?

Mr. COMPTON. We can get it very easily.

Would you check and find out what the report cost?

The CHAIRMAN. Now, will you tell us, Doctor, what steps you took—

Mr. COMPTON. Well, IBS was given general instructions to go after all these situations that were shown up. I think General Stoner can probably enlighten you in specific detail better than I can. One item was the warehouses. There was a duplication of warehouses. That is pointed out in this recital by the chief counsel. Those have been consolidated and simplified, and I understand and have reason to believe that they have an efficient system now and that it has been in operation for some time.

The relations between NAO and the so-called New York administrative office and the IBS, International Broadcasting Service, were, well, pathetic. There was no cooperation. At the present time, the New York administrative office has been transferred to the jurisdiction of the International Information Administration, whereas prior to that time, which was entirely outside this program—

The CHAIRMAN. In other words, prior to that time the New York office was operating pretty much as it pleased, with no control from your office?

Mr. COMPTON. That is correct. And it led to a good deal of waste; and I don't know that this is waste in any proper sense, but it certainly was a gross inaccuracy in reporting the cost, for example, of the first mobile transmitter, this much publicized Courier, which is now broadcasting in the eastern Mediterranean. I submitted the information given to me by our office in New York, as an example, that the total cost of that was approximately \$2 million, which was an accurate arithmetical statement so far as the New York office of the Voice of America had the information. I transmitted that to the Appropriations Committee of the House. That question was not brought up in the Senate.

It later developed that that was in error to the extent of—well, the total final extent was more than \$600,000. The answer to that was that that was due to this division of authority and responsibility between the Voice of America, on the one hand, and the New York administrative office, on the other.

Now, incidentally, I reported that immediately. I gave a copy not only of this report but of the one that you had the chief counsel read here, promptly to the chairman of the Appropriations Committee of the House; and both Mr. Rooney, who was the chairman at that time, and Mr. Clevenger, who is now the chairman, and who was the ranking minority member at that time.

I might say that, as an indicator—of course, I am not able to say with assurance how well this arrangement with the NAO, this combined arrangement, will work, but this I do know, as of very recent date; the Director, a Mr. Seymour, of the NAO, was transferred to take certain duties that heretofore had been handled by Mr. Herrick, to whom you have referred. He advised the Budget Director that he was turning back from his allotment for the remainder of this year \$120,000, which I assume represents at least an extent to which he has been able to institute economies in the operation of the New York administrative office.

If you want more detail about that, I am sure Mr. Parker May can give you that further information.

Now, on the matter of handling of contracts, those have been taken out of the hands of Mr. Herrick, and recently Mr. Seymour was the gentleman who had been serving as head of NAO—

The CHAIRMAN. Why was the handling of contracts taken out of the hands of Mr. Herrick?

Mr. COMPTON. Because of their not being satisfactorily handled.

The CHAIRMAN. In other words, you did not think Herrick was handling the contracts in the proper fashion. Is that right? Did it come to your attention that under Mr. Herrick and Mr. Kohler, Baker West employed a contractor who had no background of experience in radio engineering, or construction of facilities of this type, whose apparent sole background was the construction of schoolhouses, and that he had no equipment on hand to do the type of work required by Baker West; that the contract provided that he could purchase equipment and he would be allowed 8½ percent per month on the equipment, so that at the end of 12 months the equipment would be fully paid for, and that he had purchased equipment more than 12 months before he needed it so that the Government had bought and paid for his equipment and given it to him before he got to use it?

Did it come to your attention that the legal officer advised that that contract with Mr. Watts, I believe his name was, should be immediately terminated, and that the legal officer cited the above grounds for the termination of the contract, but that the contract is still in effect with Mr. Watts?

Mr. COMPTON. I have not received any advice from the attorney to the effect that you state.

The CHAIRMAN. You mean you have had no report on this matter I just cited?

Mr. COMPTON. I learned when I came back from an inspection trip in the middle of December—I learned about this 8½ percent. I

immediately inquired as to whether, in the nature of our contract, it was possible for us to denounce that provision, which was obviously preposterous, and the advice given to me by our attorney, our legal adviser—

The CHAIRMAN. May I interrupt? I do not think we should subject the witness, Mr. Photographer, to having a photographer in front of him taking pictures. It is too disconcerting for the average witness. I know you gentlemen have a job to do, and you have to come in and take pictures, and I would like to accommodate you, but the committee has decided No. 1, that there will be no flash pictures during a hearing and, No. 2, I do not think you should get in front of the witness. If you can take pictures from off on the side where you will not bother him and he has no objection, that is all right.

Mr. COMPTON. I have no more than average objection. I admit that having photographers flashing right in front of me doesn't help particularly.

May I proceed with that, Mr. Chairman? The advice, which was informal at that stage, which was within the last few weeks, was that it was not possible to separate that item from the rest of the contract. Incidentally, if I am correctly informed, as I believe I am, that same applies in the contract for Baker East.

The CHAIRMAN. Let me ask you this, Doctor. When you find that a contractor has been employed who has had no experience in this type of work, that he has no equipment, and you make a contract buying his equipment for him, and by buying it for him I mean allowing him 8½ percent, so that after 12 months the Voice has purchased the equipment and the contractor owns it, you thereby set up a new contract in competition with men who have had experience in that type of work. And would that not seem highly improper to you, inadvisable, expensive, and wasteful?

Mr. COMPTON. That is one of the factors I had that prompted me to the conclusion that both these contracts ought to be suspended, as I indicated yesterday, but there is evidently no way within the law by which we could get rid of that preposterous purchase contract without denouncing the whole contract.

The CHAIRMAN. Now, one of the things that promptly interests me and I think all the members of this committee and the staff is: Why that unusual contract? Was that made because someone was so incompetent that he did not realize what he was doing? Or was that type of contract made for a different reason? Have you checked into that? Are you going to check into it?

Mr. COMPTON. Well, I have checked into it, Mr. Chairman, and I think I acted the same as under like circumstances you would. The contract itself with these contractors in both Baker West and Baker East does not include a recital of this 8½ percent. It states that an agreement is reached, but the figure shall be an agreed sum, there shall be a determined percentage. That is in the contract. The determination of the 8½ percent itself was an action separately by the head of the New York administrative office, that I have just referred to.

The CHAIRMAN. That was Mr. Foy D. Kohler?

Mr. COMPTON. No, Mr. Meyers. Mr. Meyers was the head of the New York administrative office prior to Mr. Seymour.

Now, there are so many names involved here, Senator, that it may get—

The CHAIRMAN. What is Meyers' first name?

Mr. COMPTON. Alva, I think.

The CHAIRMAN. Alva Meyers, then, is the man who set the figure of 8½ percent. Right?

Mr. COMPTON. Yes.

The CHAIRMAN. That was not set in the contract?

Mr. COMPTON. That was not set in the contract, but the contractual provision empowered the Department to determine that percentage. Now, my further understanding is, and this is advice to me from counsel, from my legal adviser: In answer to my question, "How can we get rid of this preposterous provision? Can we denounce that without just canceling the whole contract and taking the consequences?"—the answer to that was that Mr. Meyers did exceed his authority in setting that figure, but that the contractor himself had the right, would have the right, to go to the Court of Claims, because it was a part, in good faith, of the contract arrangement that he had accepted, and in the opinion given to me, informally as I tell you, the contractor could collect from the Court of Claims.

The CHAIRMAN. In other words, your testimony is that while the contract to you appeared ridiculous, it was a valid contract, and you were without any power to break that contract; that is was good in law?

Mr. COMPTON. Without breaking the contract. That is why I say that was part of the line of reasoning behind the conclusion to suspend both these contracts.

Senator McCLELLAN. The thing that I am interested in: I want to determine if the people who were responsible for having made such contracts are still in Government, and what positions they have now. I just feel that men that are that stupid should have no responsibility in the Federal Government. And if they are still in Government, still performing, we want to locate them and see if something can be done to get rid of them. That is the way I feel about it.

Mr. COMPTON. Well, Senator, I don't happen to know about Mr. Meyers. This, of course, occurred while he was the head of the New York administrative office, which was then a part of the Department of State and was not a part of the International Information Administration.

Senator McCLELLAN. I am not particularly concerned about identifying with which branch or subdivision of this program they are in or were in. What I want to determine is, if they were responsible, first, for such contracts. And as has been testified to as to such administration as obviously has gone on in this program in the past, I want to find out if they are still in Government, find out what their responsibilities are now, and see if they are commensurate with their capacity or their stupidity.

Mr. COMPTON. If I were in your place, I would be of that opinion, too.

The CHAIRMAN. Just a minute. In your place, Doctor, you have got to find that out. You must be interested in knowing where Mr. Meyers is now, what he is doing. He is still working your Department, I understand.

Mr. COMPTON. Meyers?

The CHAIRMAN. He has been transferred, but he still has the same salary, I understand. He is still in the information program. Is that right?

Mr. COMPTON. I am told that he is. I didn't know that.

The CHAIRMAN. Let me make it clear that I know when we bring these matters up you cannot possibly keep track of every individual in your Department, but I point out that it is your task to run these things down. I know you cannot run them all down in 1 day or 1 week.

Mr. COMPTON. But I know that the New York administrative office has been transferred to the authority of the International Information Administration, and Mr. Seymour took Mr. Meyers' place, and Mr. Seymour is now in charge of the construction contracts of the Voice of America.

The CHAIRMAN. I thought Seymour took Herrick's place.

Mr. COMPTON. He did. Mr. Seymour, who succeeded Meyers, has taken over the handling of the construction contracts.

The CHAIRMAN. Thank you. There are two other things. I would like to have you, before you come back this afternoon, find out where Mr. Meyers is, what he is now doing, whether he had any reduction in salary or any increase in salary since you started checking on these contracts.

No. 2: I would like to get the name of the Individual who sold the land in North Carolina to the Voice. We understand that there was swamp land covered with water sold to the Voice. We would like to know who sold it, how much per acre, and any commissions paid on it.

Mr. COMPTON. May I have a memorandum from someone on the staff as to all of these things that you like to have me provide? They are all available, I am sure, Mr. Chairman.

The CHAIRMAN. I would like that this afternoon.

Mr. COMPTON. And I should not like to trust my own memory that I can provide all these things you have asked me to provide.

The CHAIRMAN. Well, you have two or three aides that have been jotting things down.

As the Senator suggested, also any improvements to the land, any roadways built, necessary drainage.

Mr. MORAN. I would like to just take a minute, if I may, in connection with this million dollar figure, if you have time. It is just how I arrived at that.

The CHAIRMAN. Yes.

Mr. MORAN. The three 35-kilowatt transmitters which are to be installed in Ceylon are \$186,000 each, as I understand it, and there are three. That is \$550,000, approximately. Then there was \$500,000 allocated for transmitting antennas, receiving equipment, amplifiers, power transformers, and auxiliary equipment. I think salaries come out of that, but I am not sure. So that makes a million or a little more.

The CHAIRMAN. I see. So that, Mr. Compton, it appears that the figures would indicate that, taking just those two items, an amount of \$1,058,000 was spent on the Ceylon project.

We want your budget officer to go into that, and we will go into that this afternoon.

Senator JACKSON. Mr. Moran, do you know whether the agreement that we entered into with the Ceylonese Government was similar to

agreements that we have entered into with other foreign countries? Can you enlighten us on that? In other words, was this a standard agreement? Or would you know that?

Mr. MORAN. I am not familiar with the details of the agreements with other countries, but this was, as far as my information is concerned, a little different. We have a hybrid agreement with Radio Ceylon and the Voice of America, where we more or less have to coordinate with them, like in the matter of programs, everything that was done with them. In our other bases we have a more clean-cut operation, where we are free to, more or less, broadcast whatever we want to.

Senator JACKSON. I wonder, Mr. Chairman, if it might be helpful if we could get a comparative picture of the contracts with the other countries that would give us some idea of just what the situation is.

The CHAIRMAN. I think it might be an excellent idea to get copies of the contracts covering all of the construction projects.

Can you furnish that, Mr. Compton?

Mr. COMPTON. I surely can.

Could I offer at this point, Mr. Chairman, a document which I am sure you would like to have for the staff to examine? It is the original allocations, the lawful authority, the current allocations, the cumulative obligations, and the unobligated balances, on all of the radio projects under all of the appropriations that have been made.

The CHAIRMAN. We would be glad to accept that, and I thank you for it. I am going to ask you to refrain, now, until we get through with Mr. Moran, here.

Senator DIRKSEN. Mr. Moran, may I ask, in the interest of clarification, first: Where were these receivers and transmitters located in Ceylon? At Kandy or at Colombo?

Mr. MORAN. They are at Colombo. Our transmitters are housed in buildings alongside the Radio Ceylon transmitting plant.

Senator DIRKSEN. You used the term "relay." Do they beam the signal from here to an intermediate tower and then on to Ceylon?

Mr. MORAN. That is right.

Senator DIRKSEN. Then it picks up our signal on relay there at the receiver?

Mr. MORAN. That is right. It is a relay, with at least one relay point in between here and Ceylon.

Senator DIRKSEN. And that was Tangier, you said?

Mr. MORAN. That is to be the main relay point.

Senator DIRKSEN. Yes. And then, of course, your transmitter takes the material that comes from here to there and beams it out over the area that they want to serve?

Mr. MORAN. That is right, over India, southern India particularly.

Senator DIRKSEN. Yes. Now, you said something about the efficiency of this receiving operation, before; that it was highly inefficient.

Mr. MORAN. It is highly inefficient. Especially when I first arrived there. Even the best equipment would probably not deliver the signal that we have at the other bases; because it is a difficult location to get into, and the signals are not so good even with the best receivers. Now, we have, as I understand it, some new receivers in there which have improved the reception.

Senator DIRKSEN. Let me ask you another question. While you were there, was there an opportunity to check up, in the island of Ceylon itself, for example, on the number of receiving sets? After all, sending out a signal, sending out a message, is a dud unless there are boxes that can receive it.

Mr. MORAN. Well, of course, the present transmitters are probably not heard in Ceylon at all. Being shortwave signals outside of 10 or 15 miles from the transmitter, you probably don't hear them.

Senator DIRKSEN. All right. Let us go to India. How many boxes are there in India? Did you get a chance to survey that, or did they survey it?

Mr. MORAN. I couldn't say as to that, whether they surveyed it or not. I know the great majority of the people there are very poor, and it is problematical as to how many effective receivers you have got. I don't know what survey was gone into on that.

Senator DIRKSEN. Of course, the wife of the former Ambassador to Moscow in a book recently made a comment to the effect that there were very few receivers. Now, our Ambassador to Yugoslavia was on Information Please recently, and I think somebody asked him that question. He said there were very few receivers. We are dealing, after all, with the efficacy of an operation, an over-all operation, costing \$87 million. I think that is what Congress gave you last year. And \$21 million for international broadcasting. And the question is, finally: Who do you get to? What does the United States of America get for the \$21 million? That is what I want to know.

Of course, you asked for \$136 million last year for this over-all operation. I am speaking now of IIA. I think your total budget request was \$136 million.

Mr. COMPTON. No, \$170 million.

Senator DIRKSEN. \$170 million. That is right. And here are people who want to spend more and more money. The question is: What good do we do? That is what I want to know.

Mr. MORAN. That has always been the question: As to how many people have receivers and actually listen.

Senator DIRKSEN. Do you mind a leading question? What is your opinion about it? You are an engineer, have some skill in this field. What have we gotten for our money?

Mr. MORAN. Well, I don't believe we have gotten the results that we would like to have obtained.

The CHAIRMAN. Have you anything further to add, Mr. Moran?

Mr. MORAN. No; I think that is all.

The CHAIRMAN. I understand you left the Voice of your own accord and left because of the incompetence and waste you found and the fact that you were not in a position to remedy it. Is that correct?

Mr. MORAN. That is correct.

The CHAIRMAN. The McKinsey report will be marked as an exhibit and will not be copied into the record but just used as an exhibit.

(The report referred to was marked "Committee Exhibit No. 3," and may be found in the files of the subcommittee.)

The CHAIRMAN. Then we will adjourn until 2 o'clock this afternoon.

(Whereupon, at 12:12 p. m., a recess was taken until 2 p. m., of the same day.)

AFTERNOON SESSION

The CHAIRMAN. Is Mr. Donald Creed here? Will you step forward?

Right over here, Mr. Creed.

Will you raise your right hand? In this matter now in hearing before the committee, do you solemnly swear to tell the truth, the whole truth, and nothing but the truth, so help you God?

Mr. CREED. I do.

Mr. COHN. Give your full name, please.

TESTIMONY OF DONALD R. CREED

Mr. CREED. Donald R. Creed.

Mr. COHN. What is your occupation, Mr. Creed?

Mr. CREED. I am Assistant Chief of the Domestic Transmitter Division of the Voice of America.

Mr. COHN. You are currently with the Voice of America?

Mr. CREED. I have been there for 10 years.

Mr. COHN. You have been there for 10 years?

Mr. CREED. Yes, sir.

Mr. COHN. Now, what are your duties at the present time?

Mr. CREED. The Domestic Transmitter Division is responsible for the operation of the licensees who transmit our programs from the States.

The CHAIRMAN. I am sorry. I did not get that.

Mr. CREED. Our division is responsible for the operation of the licensees who operate transmitters for us in the United States.

Mr. COHN. Now, we have had some reports about a certain sound truck that was built by the Voice of America. Do you know anything about that?

Mr. CREED. Yes, we did have what they called the mobile unit, when they wanted to go out and make remote pickups. That is, say they wanted a sporting event of some type that they might want to go out and make a recording of. They would take this mobile unit out, because they had it fixed up so that there was recording equipment in there, and also a small studio.

Mr. COHN. What kind of recording? Recording equipment, did you say?

Mr. CREED. A lathe, and also a Magnacorder; tape machines.

Mr. COHN. What was the total cost of this mobile unit; do you know?

Mr. CREED. When it was completed, it ran approximately around \$41,239.22.

Mr. COHN. When was this mobile unit completed?

Mr. CREED. About 2 years ago.

Mr. COHN. And are you familiar with the first trip that they took this mobile unit out on?

Mr. CREED. Yes, one of the first trips they took was up into Pennsylvania, to do a remote job.

Mr. COHN. Do you know about that job?

Mr. CREED. Yes, I was in the operations at the time they went on the trip.

Mr. COHN. How did things go on that first trip?

Mr. CREED. Well, the engineer and the driver went out on the mobile unit, and they started up to Pennsylvania. They had a producer in another car with them, and the producer kept getting ahead of them with his car, because the mobile unit wouldn't stay up with him. It had a 105 horsepower motor in it to pull about a 20,000-pound load, and as they were driving along the steering wheel came loose, and all the bolts fell out of it, so they had to stop the mobile unit and put in new bolts.

Mr. COHN. Did anything else eventful happen on that trip?

Mr. CREED. Yes. They would go around a curve or a bend on the trip, and all the equipment was on one side, and the thing would almost tip over on them, and they had a little trouble keeping it right side up.

Mr. COHN. How about the brakes? Did they work all right?

Mr. CREED. There was no hand brake. When they came down the hill, they had only a foot brake, no hand brake at all.

Mr. COHN. How about the springs?

Mr. CREED. They were very weak, and they wouldn't hold up the load.

Mr. COHN. Well, was the recording equipment all right?

Mr. CREED. It worked at times; yes.

Mr. COHN. At times?

Mr. CREED. Yes.

The CHAIRMAN. What was right with the equipment?

Mr. CREED. It was a nice-looking job. It had venetian blinds, and things on it.

Senator DIRKSEN. Did you have a name for it?

Mr. CREED. We called it the mobile unit.

Senator DIRKSEN. You should have called it the budget, I guess, because it is a little on the unbalanced side.

Mr. COHN. Is that about all that happened on that trip?

Mr. CREED. Yes.

Mr. COHN. Now, after that trip, did they decide they had better do a little more work on the mobile unit?

Mr. CREED. Yes. They decided that they had better fix the motor up, or at least put a larger horsepower motor in the unit and strengthen the springs, and put a hand brake and some other things in it.

Mr. COHN. Now, do you know how much money this extra work cost?

Mr. CREED. Well, when they finally decided to do something about it, they took the truck up to upper New York and put a trailer on it, or rather a tractor, to take the place of—they cut a part of the body off and made a complete new job out of it.

At the present time we have this big mobile unit with the trailer or tractor.

Mr. COHN. How much was the additional cost; do you know?

Mr. CREED. When it was decided to modify the unit and add a tractor, this work was done by RCA at no cost to the Government other than \$590 for paint and lettering after it was modified. Therefore, the total cost was \$41,829.22.

Mr. COHN. Are you familiar with the equipment situation up in New York?

Senator DIRKSEN. First, let me ask, How many times did you use this unit? You say you used it for remote broadcasting to pick up sports events that might be interesting?

Mr. CREED. That is right.

Senator DIRKSEN. Can you name some of these events?

Mr. CREED. Well, there would be the one trip that they went up to Pennsylvania on to cover the music festival. They also went out to Detroit to cover a convention out there. Since we have had the mobile-unit back in New York for the last 6 months, it has been used twice, to my knowledge. It sits in the garage all the time.

Senator DIRKSEN. How many times would you say it has been used since it has been completed and overhauled?

Mr. CREED. Twice, to my knowledge.

Senator DIRKSEN. Twice? You have \$40,000 invested in a remote control unit, and you have used it twice?

Mr. CREED. Yes, sir.

Senator DIRKSEN. That is not maximum efficiency, by any means; is it?

Mr. CREED. No, sir. No one wants to use it. No one wants to take it out.

Senator DIRKSEN. You mean they are afraid it will tip over or something?

Mr. CREED. Well, not now. They were in those days.

Mr. COHN. Now, are you familiar with the situation concerning equipment which has been purchased for the new building up in New York?

Mr. CREED. Yes, I am.

Mr. COHN. Tell us about that.

Mr. CREED. I think that a great many overlooked the fact that we spent millions of dollars for transmitters overseas and in the United States, and actually the very meat of our programs and our operation is in New York, where we make the programs. All of our studios are located in New York. We have some 20 studios up there. We do all of our programing, all of our language programing, and yet we are working with equipment over 10 years old, some of it.

The recording equipment is 10 years old. The consoles are in very bad shape. We were going to have a new building. I think money was to be appropriated for it. Equipment was bought for the new building, and it has been sitting down in a warehouse, and nothing has been done about bringing new equipment up to our place. I think we should have new equipment in there if we are to deliver a proper type of program to the world.

Mr. COHN. Now, you remember when additional facilities were installed up at 1790 Broadway?

Mr. CREED. Yes.

Mr. COHN. And what happened after they moved into the place, with reference to the situation concerning current?

Mr. CREED. Well, we are in about eight buildings up in New York at the present time, and they decided to take over some space at 1790 Broadway. Quite a few of the units moved in, including the field unit, which is responsible for the remote jobs that we do. They moved all the equipment in, and found out that one floor was a. c., one floor was d. c., and so forth. They had to rip out all the wiring and change everything over to a. c.

Mr. COHN. They had to rip out all the wiring after it had been installed?

Mr. CREED. And change it over to a. c.

Mr. COHN. About how much did that cost?

Mr. CREED. I would think between \$25,000 and \$30,000.

Mr. COHN. Do you know anything about the construction of the tape room?

Mr. CREED. The tape room was started in around 1949.

Mr. COHN. How long did it take to build, to construct?

Mr. CREED. Well, over a period of almost a year and a half.

Mr. COHN. And there came a time when they finally did it; is that right?

Mr. CREED. That is right.

Mr. COHN. Now, were the tape machines that they had used the latest models by the time they were finally installed?

Mr. CREED. Not by the time they had finished completing the tape room. No, they were obsolete by that time.

Mr. COHN. The tape machines were obsolete by the time they finished?

Mr. CREED. That is right.

Senator DIRKSEN. Let me ask about this equipment that was warehoused. Is it still there—this recording equipment?

Mr. CREED. I understand, Senator, they are now going to bring some equipment into the place and fix it all up.

Senator DIRKSEN. You say they are going to?

Mr. CREED. That is right.

Senator DIRKSEN. It has not, then, actually been done?

Mr. CREED. Not as yet.

Senator DIRKSEN. How long was this equipment in the warehouse?

Mr. CREED. Within the past year.

Senator DIRKSEN. For a whole year?

Mr. CREED. About.

Senator DIRKSEN. What is the depreciation on equipment of this kind when it is stored?

Mr. CREED. Very much. Because there are very intricate lathes, recording lathes, that we have, and depreciation would be very big on it.

Mr. COHN. Now, with reference to this tape room, you say by the time they finally finished building it, the tape machines were obsolete; is that right?

Mr. CREED. Yes, they were.

Mr. COHN. What did they have to do to get the tape shows done?

Mr. CREED. We had to take a good many shows outside to get them done. The tape machines we have are not obsolete to the point where they can't be used, but my point is that it took so long to complete the tape room itself that the machines that we had were obsolete, and they could have done the job a lot faster.

Mr. COHN. You say you had to take some tape jobs outside?

Mr. CREED. Yes, we do a great many shows outside because we don't have sound effect tables or musical instruments and things of that type to do big shows.

Mr. COHN. Does that involve a substantial expense?

Mr. CREED. Well, we bought two sound effect machines for some \$4,500 apiece.

Mr. COHN. Have they been used?

Mr. CREED. No, they never have been used.

Mr. COHN. These jobs have been sent out?

Mr. CREED. That is right.

The CHAIRMAN. What was the price, \$4,500?

Mr. CREED. \$4,500.

Mr. COHN. You say they had not been used at all?

Mr. CREED. That is right.

Mr. COHN. They keep on sending the jobs outside?

Mr. CREED. That is right.

Mr. COHN. Now, you were in Honolulu for a while; is that right?

Mr. CREED. I was stationed direct at Honolulu.

Senator DIRKSEN. Are there facilities and space to bring in shows from the outside to do this job in your own studios?

Mr. CREED. Yes. We built two studios large enough to be able to do that type of work.

Senator DIRKSEN. So it could have been done there at a possible saving to the Government?

Mr. CREED. It could have been; yes.

Mr. COHN. Now, the last point I want to cover, Mr. Creed, is this: You told us you were station director at Honolulu. There came a time when you returned from Honolulu; is that right?

Mr. CREED. I was in Honolulu from 1946 to 1949.

Mr. COHN. When you returned, did you find out that plans were under way to eliminate you from the organization?

Mr. CREED. I had heard that there were plans, and I found a letter that stated such.

Mr. COHN. Did you actually see that letter?

Mr. CREED. Yes, I did.

Mr. COHN. Was that a letter from Mr. Harmon to Mr. George Herrick?

Mr. CREED. That is right.

Mr. COHN. And was the substance of that letter that they decided to place somebody else in your job and had to go about the process of getting rid of you in some way?

Mr. CREED. That is right.

Mr. COHN. I am going to read you a paragraph coming from that letter, and I want to ask you whether or not this refreshes your recollection and whether or not it is an accurate reading from the letter:

This brings up the question of Creed and how we can eliminate him. Based on strictly survey values, Creed has done an exceptional job. His operating costs have been reduced. The outage time for negligible overall operations is a relatively clear one. He is always coming up with money-saving devices, as the attached sheet shows.

The CHAIRMAN. That sounds like grounds for discharging him.

Mr. COHN. Well, they were certainly trying to.

His efficiency ratings have been good. The only possible solution we can see is to abolish the job and rewrite a job description to cover the title of chief engineer. We probably have the basis for this, due to the second transmitter and the new receiving operation.

Do you recall that?

Mr. CREED. That is correct.

Mr. COHN. Well, even though this letter was written, the fact is that eventually you did hold on to your position; is that right?

Mr. CREED. They eliminated me as station director and rewrote the job.

Mr. COHN. They did eliminate you and rewrote the position?

Mr. CREED. That is right. And I took a one-grade drop in salary to come back to New York.

Mr. COHN. You took a one-grade drop in salary, and you came back to New York?

Mr. CREED. That is right.

Mr. COHN. And that was in spite of what is stated in this letter concerning the prospective eliminating, in which it stated you have been doing an exceptional job and had been coming up with one money-saving idea after another?

Mr. CREED. That is correct.

Senator DIRKSEN. Have you some idea why you were to be liquidated?

Mr. CREED. They wanted to put somebody else in my position there.

The CHAIRMAN. I wonder if you could shed more light on that? This letter indicates that you were doing a good job, they had no fault to find with your job, that you were coming up with moneysaving ideas constantly. The average person reading this would wonder why you were to be eliminated. Can you shed any light on that?

Mr. CREED. Pardon?

The CHAIRMAN. I say, can you shed any light on why you were to be eliminated, in view of the high recommendation given you in this letter?

Mr. CREED. Well, they didn't feel that I was capable of continuing with another transmitter in the place. We had a 100-kilowatt transmitter, and they felt that they should get someone else that would be more capable.

Senator JACKSON. What is your professional background?

Mr. CREED. I started with Columbia Broadcasting in—

Senator JACKSON. No. What is your academic background, first?

Mr. CREED. It is only through experience.

Senator JACKSON. Oh. Did you finish high school.

Mr. CREED. Yes, sir. I went 1 year to college.

Senator JACKSON. What did you take in college?

Mr. CREED. Just general business.

Senator JACKSON. And then you picked up the—

Mr. CREED. I got into radio in 1937 as a sound engineer at Columbia Broadcasting.

Senator JACKSON. And you learned the broadcasting business and the technique through apprenticeship in the industry, and then followed on through to a point where you could operate these transmitters quite effectively?

Mr. CREED. Yes, sir.

Senator JACKSON. I did not ask Mr. Moran:

Did you have an engineering course in college?

Mr. MORAN. Not a complete course. I had 2 years in Case School of Applied Science in Cleveland.

Senator JACKSON. You had 2 years at Case Institute?

Mr. MORAN. Case Institute of Technology, I think they call it now.

Senator JACKSON. Yes. You had 2 years in engineering?

Mr. MORAN. Yes, an electrical engineering course.

Senator JACKSON. But that gave you a pretty complete course on the practical operation?

Mr. MORAN. On the mathematics and physics, the basis.

Senator JACKSON. I did not mean to interrupt, Mr. Chairman.

The CHAIRMAN. That is O. K.

Senator JACKSON. You had considerable experience in the operation of these transmitters?

Mr. CREED. Yes, sir; I was there for 3 years.

Senator JACKSON. Did you feel that you were qualified to handle this additional transmitter? Was it a hundred watts?

Mr. CREED. A hundred kilowatts.

Senator JACKSON. A hundred kilowatts.

Mr. CREED. I was there when it was installed.

Senator JACKSON. I mean, you have no doubt about your ability to handle it?

Mr. CREED. No, sir. As station director, I not only handled the technical side of it but also the administrative side as well. We had qualified engineers there.

Senator JACKSON. That is all.

Senator DIRKSEN. Well, if a man could handle 1 transmitter, Mr. Creed, is there any reason why he could not handle 2?

Mr. CREED. No, sir. I would be handling them myself; it would be through the engineering staff.

The CHAIRMAN. I think the picture speaks for itself. I have no further questions.

Senator JACKSON. One last question.

Your efficiency reports, or whatever you call them, have been good?

Mr. CREED. They have been "excellent," "good," and "very good" in Honolulu; "excellent" every place but Honolulu.

Senator DIRKSEN. Was that sort of preliminary to your removal?

Mr. CREED. Yes, sir.

Senator DIRKSEN. You felt that that was deliberate?

Mr. CREED. In fact, I appealed it. I appealed the rating and was turned down.

Senator DIRKSEN. But every other place it had been "excellent"?

Mr. CREED. Or "very good"; yes, sir.

Senator DIRKSEN. Well, how was it when you first went out to Honolulu?

Mr. CREED. It was "good."

Senator DIRKSEN. They seemed to be out to get you as soon as you got to Honolulu?

Mr. CREED. I thought so.

Senator DIRKSEN. That is all.

The CHAIRMAN. Can you think of any reason why they wanted to get rid of you?

Mr. CREED. Well, they didn't feel that I was technically able to handle the job; although I might cite an instance of another boy and myself who painted the interior of the transmitter out there. We saved \$5,000. I got up on a ladder, got some old clothes, and when my superior came out to Honolulu to look at the place, and he looked at the paint job, he said, "You painted the wrong color." So that was the thanks I got for doing it.

The CHAIRMAN. You may step down.

Mr. Freeman? Will you raise your right hand, Mr. Freeman?

In this matter now in hearing before the committee, do you solemnly swear to tell the truth, the whole truth, and nothing but the truth, so help you God?

Mr. FREEMAN. I do.

Mr. COHN. Your full name, please, Mr. Freeman.

TESTIMONY OF FREDERICK FREEMAN

Mr. FREEMAN. Frederick Freeman.

Mr. COHN. Are you at this time with the Voice of America?

Mr. FREEMAN. Yes, sir, I am.

Mr. COHN. In what capacity?

Mr. FREEMAN. I am Acting Chief of the Contract Administration Branch.

Mr. COHN. You are the Acting Chief of the Contract Administration Branch of the Voice of America? Is that right?

Mr. FREEMAN. Yes, sir.

Mr. COHN. Mr. Freeman, have you encountered mismanagement at the Voice of America?

Mr. FREEMAN. Yes, I have.

Mr. COHN. And as a result of this mismanagement, is it your opinion that large sums of the taxpayers' money have been wasted?

Mr. FREEMAN. Yes, sir.

Mr. COHN. How high would you say those figures go?

Mr. FREEMAN. The figures will run into millions.

Mr. COHN. Into millions?

Mr. FREEMAN. Yes.

Mr. COHN. How long have you been with the Voice of America?

Mr. FREEMAN. I have been with the Voice of America since the 18th of August of 1952.

Mr. COHN. Would you tell us very briefly your background prior to that time?

Mr. FREEMAN. Yes, sir. Prior to that I do not have a college degree. I came out of high school in the poor days and went to WPA night schools and whatever I could get for nothing.

With the Government, I joined the Signal Corps, Fort Monmouth, N. J., and worked on development of radar before the war. Following that, I was with the Bureau of Ships as a project engineer in electronic design.

After that, I went in the Marine Corps and was in charge of radar countermeasures training with the Ninth Wing and the Second Wing. After that, in 1946, I joined the Bureau of Aeronautics, the Navy Department, as electronics engineer in charge of research and development projects, until such time as I left there, last August, and joined the Voice of America.

The CHAIRMAN. What unit, incidentally, were you with in the Marine Corps?

Mr. FREEMAN. Sir?

The CHAIRMAN. What unit were you with in the Marine Corps?

Mr. FREEMAN. I was with the Ninth Wing and the Second Wing staff, sir. I went in in 1944, after having been in the South Pacific as a civilian.

Mr. COHN. Now, Mr. Freeman, would you describe very briefly for the committee your duties as Acting Chief of the Contract Administration Branch of the Voice of America?

Mr. FREEMAN. As Acting Chief of the Contract Administration Branch, I have under me contract-service specialists whose job it is to be thoroughly familiar with all contracts that have been negotiated and to administer those contracts to see that particularly our cost-plus-fixed-fee contracts—to see that the Government is getting full value for money expended. Also it is one of my duties to assist in preparing information from which a contract is negotiated.

As an engineer, I provide technical assistance and determination as to whether work is within or without the scope of the original contract.

Senator DIRKSEN. Mr. Freeman, I wonder if you could tell us generally what the nature of these contracts is. I presume transmitter installation.

Mr. FREEMAN. Yes, sir. Well, examples are Baker East and Baker West.

Senator DIRKSEN. In their entirety?

Mr. FREEMAN. Yes, sir.

Senator DIRKSEN. And everything that goes with it?

Mr. FREEMAN. And the administration of the contract?

Senator DIRKSEN. That is right.

Mr. FREEMAN. Yes, sir.

Mr. COHN. Now, you have mentioned Baker East and Baker West. Were you concerned at all with the administration of contracts connected with these projects at Baker East and Baker West?

Mr. FREEMAN. Yes, sir, I have been concerned with them.

Mr. COHN. Now, let us talk for a moment about Baker West. Who is the general contractor for Baker West?

Mr. FREEMAN. The general contractor is J. G. Watts Construction Co.

Mr. COHN. Do you consider Mr. Watts of the Watts Construction Co. that was awarded the job the best available contractor for that job?

Mr. FREEMAN. No, sir. Realizing that I am new in the Department, I must refer back to the files which were turned over to me for information which I am supplying now.

Mr. COHN. Surely.

Mr. FREEMAN. The files which were handed over to me indicated that the Engineering Department in New York, IRD, did not consider Watts as a satisfactory contractor to handle this job, and furthermore I was told upon my arrival there, when I questioned the use of Mr. Watts, that he was considered the least eligible of about 14 bidders considered.

Mr. COHN. In spite of that fact, in spite of the fact that Mr. Watts was considered the least eligible of the 14 bidders, he was awarded the contract; is that right?

Mr. FREEMAN. That is correct; yes, sir.

Mr. COHN. Who was responsible for that, Mr. Freeman?

Mr. FREEMAN. Well, I tried to find out how the contract was awarded, and tried to get some background on Mr. Watts. And I found out, or at least I was told, that the Engineering Department in New York was not allowed to see the information on Mr. Watts at the time the contract was negotiated.

Mr. COHN. The Engineering Department was not allowed to see the information on him?

Mr. FREEMAN. That is right, as to his financial background or the type of work that he had done previous. He submitted no brochure.

The CHAIRMAN. Let me interrupt there, if I may. You convinced yourself from examining the files that of 14 bidders he was the least competent contractor; is that right?

Mr. FREEMAN. Yes, sir; that is the way it appears in the record.

The CHAIRMAN. Do you mean competent from the standpoint of experience?

Mr. FREEMAN. Experience, sir; yes, sir.

The CHAIRMAN. As far as his financial standing was concerned, you were not allowed to see that information at all?

Mr. FREEMAN. No, sir.

The CHAIRMAN. Did you check with Mr. Al Meyers to find out why he would give this contract to Watts, in view of the fact that you determined he was the least competent of the 14 that handled it?

Mr. FREEMAN. I have spoken to Mr. Meyers about it, and I was informed that it was decisions that were made prior to my arriving there. And, naturally, they negotiated the contract, and they felt that the Watts Construction Co. could do the job.

The CHAIRMAN. And he would not let you see the information on his financial background?

Mr. FREEMAN. No, sir.

The CHAIRMAN. And was this a negotiated contract, or a cost-plus?

Mr. FREEMAN. Well, it was a cost-plus-fixed-fee contract.

The CHAIRMAN. Does he get a fixed fee for his work and the cost of all materials plus a certain profit upon the materials on the sub-contractors; right?

Mr. FREEMAN. The profit is the fee, sir. There is not supposed to be any profit in the cost.

The CHAIRMAN. In other words, it is cost plus a fixed fee; is that it?

Mr. FREEMAN. That is correct, sir.

The CHAIRMAN. He gets the cost of the project plus a definite fixed fee?

Mr. FREEMAN. That is right.

Senator DIRKSEN. Well, Mr. Freeman, these are negotiated contracts, then, are they not? You just pick somebody out of a list and negotiate a contract with him? Or is it done on a bid basis?

Mr. FREEMAN. Each contractor is requested to bid as to what he estimates the cost would be, and the fixed price for which he would do the job, and his methods of attack on the problem. Primarily, the Engineering Department is concerned with the man's attack on the problems, to determine whether he is qualified or not.

Senator McCLELLAN. Let me ask a question to clear that up. I think I understand a fixed fee. They submit a bid upon what they estimate the project will cost; that is, the material, the labor, and so forth?

Mr. FREEMAN. Yes, sir.

Senator McCLELLAN. As to what they estimate the project will cost on the basis of the specifications submitted to them?

Mr. FREEMAN. That is correct.

Senator McCLELLAN. And then they submit an amount, a fixed amount, on the basis of that cost, that they are willing to do the supervisory work for; is that correct?

Mr. FREEMAN. Yes, sir.

Senator McCLELLAN. In other words, that is the fixed fee. Instead of getting cost plus 5 percent or 10 percent, they state a definite amount, like \$500,000 or \$250,000, and they furnish all of the supervisory work for that fee; is that correct?

Mr. FREEMAN. I would like to just clarify the word "supervisory," sir. The general management costs are involved, but not supervisory.

Senator McCLELLAN. Well, that is a better term. I accept that. But it is just like you pay a fee to get a particular job done. That is what it amounts to.

Mr. FREEMAN. Yes, sir.

Senator McCLELLAN. And that represents their profit?

Mr. FREEMAN. Yes.

Senator McCLELLAN. And not a percentage of the cost of materials or construction costs?

Mr. FREEMAN. That represents their profit.

Senator McCLELLAN. Now, do you know how this particular project compared with the other bids on the basis of the fixed fee?

Mr. FREEMAN. There was not too much variance.

Senator McCLELLAN. I thought there were 14 bidders.

Mr. FREEMAN. That is right. But as far as the money was concerned—

Senator McCLELLAN. That is, the fixed fee?

Mr. FREEMAN. The fixed fee. And as far as the estimated costs of the job were concerned, the bidders were not too far apart.

Senator JACKSON. Who submitted the lowest proposal, for the fee?

Mr. FREEMAN. I am sorry, sir. I would have to look at my records to determine.

Senator JACKSON. I think that is quite important, to find out.

Senator McCLELLAN. But on the basis that they were all about the same there is not a great variance in the amount of the cost of the project and the amount bid for the fixed fee. Your position is that the least competent of the bidders was awarded the contract?

Mr. FREEMAN. Yes, sir.

Mr. COIN. That is not only your position, Mr. Freeman, but is that not reflected in the file?

Mr. FREEMAN. Yes, sir.

The CHAIRMAN. Let me ask this, to show the significance of that. If you have a competent contractor, a man who is experienced in the work, let us assume he receives a fixed fee of \$500,000, and he is competent to the point where he can do the job for \$8 million. Put an incompetent man on it, and let us assume he does it a bit lower. He will do the work for a fixed fee, we will say, of \$400,000. But he is not experienced in the work, and the final cost of the project would run \$11 million or \$12 million. The final result, the final selection of the contractor, should not depend upon the fixed-fee bid, but rather upon the competence taken into consideration with his fixed fee; right?

Mr. FREEMAN. Yes, sir.

Senator McCLELLAN. Now, one other point. In the event the cost with the incompetent contractor that you say was selected in this case

greatly exceeds the amount estimated, is he not, under the contract, entitled to have a revision of the fixed fee?

Mr. FREEMAN. Yes, sir, he is.

Senator McCLELLAN. So, then, by making the project cost more, or as a result of his incompetency if it does cost more, his fixed fee is subject to revision and an increase, under the terms of the contract.

Mr. FREEMAN. Yes, sir.

The CHAIRMAN. Let me ask a question. Let us say that he estimates the project will cost \$9 million, which is roughly the figure on Baker West. Then assume that the project cost \$11 million. His fee would be revised upward rather than downward. In other words, he is not penalized because the project costs more. His fee is increased because the job is bigger than he anticipated. Is that right?

Mr. FREEMAN. Senator, you cannot put that in one sentence. There are certain factors that are involved. There are engineering difficulties that become apparent as we go along.

You must realize that you enter into a cost-plus-fixed-fee contract because you can't visualize the end product at the time you start. If you could, you would get a fixed price for the job. So that the contractor, on a cost-plus-fixed-fee contract, is actually an agent of the Government. The Government supervises his activities. The Government supplies him with specifications. And the Government interprets those specifications.

The CHAIRMAN. By the Government, in this case, you would be referring to Mr. Herrick, I assume?

Mr. FREEMAN. That is correct.

The CHAIRMAN. The Government has to be some individual doing the job?

Mr. FREEMAN. That is correct.

The CHAIRMAN. So in this case the Government would be Mr. Herrick?

Mr. FREEMAN. That is right.

The CHAIRMAN. Who has since been discharged because of incompetence; is that right?

Mr. FREEMAN. I don't know, sir, what has happened up there.

The CHAIRMAN. Now, my question is this: If the cost of the project increases, the contractor getting a fixed fee would normally have his fee increased also; is that right?

Mr. FREEMAN. If the scope is extended, and if there are delays involved which he can document, and other things beyond his control, yes, his fee will be readjusted by negotiation.

The CHAIRMAN. Who determined whether his fee would be readjusted in this case?

Mr. FREEMAN. The contracting officer is the one that must determine that.

The CHAIRMAN. Who was the contracting officer?

Mr. FREEMAN. The contracting officer at the time of the initiation of the contract was Mr. Meyers.

The CHAIRMAN. Mr. Al Meyers?

Mr. FREEMAN. That is correct.

The CHAIRMAN. And who succeeded Al Meyers?

Mr. FREEMAN. Well, Mr. Frank Seymour succeeded Al Meyers as contracting officer and has since been succeeded by Mr. Moseley.

The CHAIRMAN. Mr. Moseley?

Mr. FREEMAN. Yes, sir.

The CHAIRMAN. How about Alfred Morton? Where does Alfred Morton come into that picture?

Mr. FREEMAN. Well, he is in charge of IBS operations in New York.

The CHAIRMAN. He is not the contracting officer?

Mr. FREEMAN. He is not the contracting officer; no, sir.

The CHAIRMAN. And first Mr. Al Meyers, then Mr. Seymour, then Mr. Moseley, would have had the power to change the fixed fee from time to time if, in their discretion, they thought it should be changed?

Mr. FREEMAN. Yes, sir. It is a negotiated matter.

The CHAIRMAN. Does anyone supervise that? Does anyone have any power of veto over what they do?

Mr. FREEMAN. Yes, there must be supervision in Washington.

The CHAIRMAN. Who had the power in Washington?

Mr. FREEMAN. I don't know, sir.

The CHAIRMAN. In other words, you do not know of anyone who exercised the veto power over what they did?

Mr. FREEMAN. No, I don't.

Senator JACKSON. Did the contractor guarantee any part of the cost? That is, was the contract broken down in the way that the contractor guaranteed that certain costs would not exceed a certain amount?

Mr. FREEMAN. The contractor submits an estimated budget as to what he feels the various major items will cost. He does not guarantee those costs.

Senator JACKSON. He is not bound by the estimate?

Mr. FREEMAN. He is not bound by the estimate.

Senator JACKSON. And then his fee is adjusted upward if the additional cost is due to new factors that are not contemplated in the original contract?

Mr. FREEMAN. That is right, or a number of other circumstances.

Senator JACKSON. Now, where is the headquarters of the Watts Co.?

Mr. FREEMAN. It is in Portland, Oreg.

Senator JACKSON. Portland, Oreg.?

Mr. FREEMAN. Yes.

Senator JACKSON. Mr. Freeman, do you know anything about the background of Mr. Watts? What kind of a contractor was he? A paving contractor, a sewerage contractor, or what?

Mr. FREEMAN. I have since found out that Mr. Watts has built some schoolhouses, has built some roads. He has done road-construction work. He is not a very old contractor in the business. I believe he entered the business at the end of the war.

Senator DIRKSEN. Would it take some special qualifications to do this kind of a job, on the part of the contractor?

Mr. FREEMAN. Yes, sir. As electronics engineer, I feel that the contractor associated with the prime contract on a radio station should be a man whose primary business is building radio stations.

Senator DIRKSEN. So Mr. Watts had no record in the field of building radio stations?

Mr. FREEMAN. No, sir.

Senator DIRKSEN. Well, that is very interesting, to say the least. I suppose, just to finish the thought, since this is an educational program and he built schoolhouses, that is what sort of identified him?

Mr. FREEMAN. Well, Senator, if I might go just one step further, one of the things that has worried me exceedingly concerning that job is that I feel that, well, perhaps a man does not have the original talent himself, if he hires sufficient talent it sort of offsets it. But he put a project manager on the job to run the job who worked for the Union Pacific Railroad in their construction department. He earned \$6,000 a year with the Union Pacific Railroad, and he is presently earning \$12,000 a year as project manager in charge of Baker West.

Well, I thought now, there may be some mitigating circumstances here. We may get a construction superintendent who is well qualified in his field. But he hired a man by the name of Mr. McKenny, whose background is that he had 1 year of college and then he went to work as a shovel and dragline operator. I looked into his background and found that he had never put up a building in his life. Probably his last job was as a foreman of an operating engineer gang, and he probably is a good road-construction man. I don't mean to say anything that would tear the man down, as to his own field. But he was put in as assistant construction superintendent because he couldn't meet the qualifications of construction superintendent. Then Mr. Watts attempted to raise him to construction superintendent, and I wrote a letter pointing out that by the very job description that Mr. Watts himself wrote, Mr. McKenny would not qualify for it, and turned it down. Well, he in turn hired a building-construction man who was going to be assistant construction superintendent to take care of the building end of it, and again moved McKenny up, and that thing has just all been up in the air to where it stands right now.

Senator McCLELLAN. May I ask if the other bidders, the other of the 14 bidders, were experienced in building radio stations? What I am trying to determine is whether you had any really competent bidders.

Mr. FREEMAN. I might say that the other bidders involved, some of them, have had experience before, some of it gained with the Voice, but they were not primarily radio station construction people.

The CHAIRMAN. Does this man, Watts, have the necessary equipment on hand for the construction of Baker West?

Mr. FREEMAN. Watts had a limited amount of equipment which you would expect him to have in building a road.

The CHAIRMAN. Did some of the other contractors have the necessary equipment?

Mr. FREEMAN. Other contractors did have heavy equipment.

The CHAIRMAN. Now, I understand from the testimony given this morning by one of the witnesses, I believe Dr. Compton himself, that the contract itself did not provide for the Government paying off the price of the equipment at the rate of 8½ percent per month. That was negotiated later, outside the contract, separate and apart from the contract. I understand that the Government paid for this equipment that Watts purchased at the rate of 8½ percent per month; in other words, a hundred percent in 12 months. At that time Watts would own the equipment. Would you say that was a reasonable arrangement? Is that a normal arrangement?

Mr. FREEMAN. No, sir; that is an unusual arrangement. It was something that was taking place at about the time that I arrived in New York. And, as a matter of fact, the first item that I questioned

was an Oldsmobile automobile which Watts was attempting to rent to the Government at 8½ percent and have the Government pay for all the gas, oil, and maintenance on it in addition to that.

The CHAIRMAN. In other words, he was buying an Oldsmobile car. He was going to let the Government pay for that at the rate of 8½ percent per month, so that at the end of the year, he would own the Oldsmobile and in the meantime they would pay all the maintenance and gas and oil on the car?

Mr. FREEMAN. Yes, sir.

The CHAIRMAN. And that was the first piece of equipment that sort of hit you in the eye?

Mr. FREEMAN. I discussed this with Mr. Meyers at the time, because the correspondence came to my desk. And Mr. Meyers told me that this was the best he could do with Watts; that Watts was very arbitrary on this matter and originally wanted 10 percent. And Mr. Meyers told me he had gotten it down to 8½ percent.

Senator McCLELLAN. Let me ask you a question there. Do I understand that he got a fixed fee that was specified in the contract, and then in addition to that, not specified in the written contract, it was orally agreed that the Government would buy all of his equipment and pay for it within a year, and then he was to own the equipment? Is that correct?

Mr. FREEMAN. Well, no, sir. In the contract it was stated that the Government would pay rental on equipment that was either Watts' own equipment which he put on the job, or the Government would pay rental on equipment which he had to get from another source. And there are in the construction field companies who rent big, heavy equipment and make a good business of it. Now, the figure was something that had to be negotiated with the contracting officer. On Baker West it was 8½ percent.

And that letter which authorized 8½ percent and was signed by the contracting officer then became a part of the contract.

On Baker East, the Association of General Contractors schedule was used. However, the schedule on hand was a 1949 edition. It has since been rewritten by the Association of General Contractors. And the contracting officer agreed to pay the Association of General Contractors rate plus 10 percent of that rate. In other words, a piece of equipment which was listed at 4 percent rental value, we would now pay 0.044 percent on that. And that seemed logical because of the fact that everything had gone up between 1949 and 1951.

Senator McCLELLAN. What I am trying to determine is: Did that 8½ percent actually result in his buying equipment, so that the end of a year's time if 8½ percent was advanced on all equipment that he owned, it would pay the cost of the equipment, the initial cost of the equipment, within a year's time?

Mr. FREEMAN. Yes, sir; it would.

Senator McCLELLAN. And notwithstanding that the equipment may not have been used at all. And I understand some of it was not used. Is that correct?

Mr. FREEMAN. That is correct, sir.

Senator McCLELLAN. So he has profited, in addition to the fixed fee, by having the Government buy a lot of new equipment?

Mr. FREEMAN. Yes, sir.

Senator McCLELLAN. How much? What do you estimate to be the value of it?

Mr. FREEMAN. Well, we have been running about \$25,000 a month rental costs at Baker West. By comparison, to give you something to compare it with, Baker East has never exceeded \$12,500, where we are trying to drain a swamp.

Senator McCLELLAN. That is additional cost, too, is it not, the draining of the swamp?

Mr. FREEMAN. Yes, sir.

Senator McCLELLAN. That is not encountered at Baker West?

Mr. FREEMAN. That is correct.

Senator JACKSON. What is the percentage charge at Baker East on the rental of equipment? You started to mention something about the Associated General Contractors schedule of rentals, and then there is something about 10 percent in addition to that. What is the percentage being charged by the contractor of Baker East on the equipment?

Mr. FREEMAN. Well, it will depend upon the item involved.

Senator JACKSON. Can you give a percentage comparison with Baker West?

Mr. FREEMAN. Well, the thing that I can do is that I can state this: that on Baker West, regardless of what the item is that is on the job, whether it is a chain saw, whether it is a Chevrolet truck, or whether it is a Lima crane, or whether it is batch mixing plant, we pay 8½ percent.

On Baker East, the Association of General Contractors Manual is used, whereby we will perhaps pay 3½ percent on a light truck, not a heavy truck, and the schedule will probably be 2.2 percent on a chain saw.

Senator JACKSON. Depending on the life of the equipment?

Mr. FREEMAN. That is right.

Senator JACKSON. It is an amortization figure?

Mr. FREEMAN. It is an amortization schedule that this manual has worked out.

Senator JACKSON. Well, you say roughly that it is half? The actual gross is half, is it not? It is \$12,000 a month at Baker East?

Mr. FREEMAN. Yes; it is.

Senator JACKSON. And \$25,000 a month at Baker West?

Mr. FREEMAN. Yes.

Senator JACKSON. Is the equipment involved roughly the same, in gross value?

Mr. FREEMAN. In gross value, we have been using heavier equipment and bigger equipment at Baker East. But in order to give the devil his due, the contractor down there has tried to use the cheapest method available to the Government. And because of the heavy rains in North Carolina during the winter, he has rented these big Le-Tourneau earth movers by the hour; so that we only paid when we could work, and there were occasions when we could only work 2 days a week. And, as a matter of fact, we were involved in a labor strike down there for 3 weeks, so that there was no rental paid on that heavy equipment during that time.

Senator JACKSON. At Baker East, the contractor is not furnishing the equipment? He rents it from somebody else?

Mr. FREEMAN. The contractor has equipment, but he rents it to the Government, whether it is his, or whether he gets it from somewhere else. But in other words, Baker East is the Crowe-Loving venture down there. This heavy equipment belongs to the T. A. Loving Co., which is a part of the partnership for that job. Now, they could just as well have tried to force the issue and rent that equipment by the month to us, but they gave us the lowest possible rate.

Senator JACKSON. That is all.

Senator McCLELLAN. Can you give us some estimate of the amount of waste that you regard as waste and unnecessary extravagance involved in this 8½ percent that apparently goes to purchase equipment for Watts, over a period of a year, say the last year, or since the contract was made? Let us get some estimate or some value in the record here, something that we can identify as absolute waste under this contract, if you can do so.

Mr. FREEMAN. Well, I would say that we have probably been expending, I can safely say, \$15,000 a month which was not required. Some of the basis for that, Senator, I would say is that he buys \$11,000 trucks out there, dump trucks. Now, in your business or mine you wouldn't buy that expensive truck if you had to pay for it yourself.

Senator McCLELLAN. Well, he expects to have that left over after the contract is finished, and paid for by the Government?

Mr. FREEMAN. Yes, sir.

Senator McCLELLAN. And that will actually be the result of it if this contract is carried out?

Mr. FREEMAN. Yes, sir.

Senator McCLELLAN. Now, then, how many months, at the rate of \$15,000 per month, has this arrangement continued now?

Mr. FREEMAN. About 11 months.

Senator McCLELLAN. So what would be the loss up to now?

Mr. FREEMAN. It is about 10 months right now.

Senator McCLELLAN. \$150,000, then, up to now, has been paid to him in excess of actual value received?

Mr. FREEMAN. Yes, sir.

Senator DIRKSEN. Now, Mr. Freeman, this is a kind of a funny business. I used to be a contractor myself. When I went on a job, I usually appended some kind of a statement to show what kind of equipment I was going to use. Now, was there not some hint, when this thing was entered into, that he would have to have so many trucks, 5-ton trucks, 10-ton trucks, and 2½-ton, so many Erie shovels, so many heavy-duty Bucyrus, or whatever it was? Was there not something here?

Mr. FREEMAN. No, sir; nothing at all was appended.

Senator DIRKSEN. It was just all up in the air?

Mr. FREEMAN. Outside of the fact that IRD-New York was told that he had the equipment, that he could do the job.

Senator DIRKSEN. Of course, you do not ask a contractor, if it is an open-end contract, to go ahead and pay for the truck and get a final payment on it at completion. But here you have an agreement to liquidate this equipment for him at 8½ percent per month. There ought to be something in the Government record to show what the understanding was. Otherwise the sky is the limit as to what he can buy.

Mr. FREEMAN. Well, the prime error that was made in writing the contract, if the Government had to get into that kind of a position—there should have been a recapture clause in the contract. Mr. Watts was asked recently in New York, or it was pointed out to him, that these rates were absurd, and that he was winding up with brandnew equipment being paid for by the Government. And he was asked: "Since we are in this position, will you accept a recapture clause placed in the contract now and a recapture clause allowing the Government to take title of the equipment and pay for it, so that when we have paid 20 percent of the value of the equipment, we can buy it outright?"

Mr. Watts said absolutely not. He would not accept a recapture clause.

The CHAIRMAN. Let me ask this, if I may, then. I understand, No. 1, that some of the equipment was purchased as long as 10 months before it was needed on the job, and that rental was paid during that 10-month period. Is that correct?

Mr. FREEMAN. Yes, sir.

The CHAIRMAN. Well, now, after rental had been paid for 12 months, we will say on one of those \$11,000 trucks, after the Government had paid the full \$11,000, does the Voice continue, then, to pay the 8½ percent per month?

Mr. FREEMAN. Yes, sir; under the present contract.

The CHAIRMAN. And this project has been under way for how many months?

Mr. FREEMAN. For 10 months.

The CHAIRMAN. And if it continues, how long would it take to complete the project?

Mr. FREEMAN. The contractor's estimate—now, equipment will be rented in various stages as it is no longer required on the job. But his estimate now to get off the job is June of 1954.

The CHAIRMAN. June of 1954. So that this is February, 1953. That would mean he would be paid over double the value of all of the equipment, but would still own the equipment?

Mr. FREEMAN. Yes, sir.

The CHAIRMAN. This would, I assume, lead to the temptation of over-equipping, would it not, getting all the equipment he possibly could?

Mr. FREEMAN. Yes, sir.

The CHAIRMAN. Have you found that on this job?

Mr. FREEMAN. We have found that there is more equipment on that job than there has been at Baker East; yes, sir.

The CHAIRMAN. Would you have any idea as to the amount of equipment which has been purchased by Watts?

Mr. FREEMAN. No, sir; not without my files.

The CHAIRMAN. In other words, you would not know whether it was \$100,000, \$200,000, or \$300,000?

Mr. FREEMAN. No, sir; I can't give you a figure on that.

Senator JACKSON. What was the original scheduled date of completion of the job? Work got under way when? Last year?

Mr. FREEMAN. Work got under way this past spring out there.

Senator JACKSON. Last April or May?

Mr. FREEMAN. Yes, sir. And the schedule on the job was 15 months after Watts was given the site. That was the basic schedule.

Senator JACKSON. Fifteen months?

Mr. FREEMAN. Yes, sir.

Senator JACKSON. What is the reason for the delay?

Mr. FREEMAN. Well, it is pretty difficult to say. I think perhaps basically the delay involves—some of the delay is involved in the fact that we put the contractor on the job before the architectural engineering has been completed for the job.

Senator JACKSON. Well, did someone give him orders to go on the job? I am trying to find out who is who and what is what on this. I mean, who would direct him to go on the job?

Mr. FREEMAN. This predates me, and I am having to try to recall where the orders came from, but they came from the Voice, in other words.

Senator JACKSON. So that permission was given to go on the job at a certain date, and then he was supposed to finish that within 15 months of his taking the site, or whatever you call it?

Mr. FREEMAN. Yes, sir.

Senator JACKSON. Now it is running for 2 years, a little over 2 years?

Mr. FREEMAN. Yes.

Senator JACKSON. This is what I am getting at: What is the reason for that delay? Is it the contractor? Or what is the reason for it? For the extension of time; let us put it that way.

Mr. FREEMAN. Well, the contractor has moved very slowly in getting the site cleared, getting the timber off the site, and I have had reports from my people on the west coast that they have had trouble in seeing some of the men moving out on the job.

Senator McCLELLAN. Well, is not their contract so written as to give incentive to that sort of working, instead of expediting the job? The longer it is delayed, the more rents he collects, the more profit he has. He gets his fixed fee anyhow. What is the incentive in the contract to get the work expedited?

Mr. FREEMAN. Well, in a cost-plus-fixed-fee type of contract, it is up to the Government agency involved to have their inspectors and their engineers on the job to see that waste does not occur.

Senator McCLELLAN. Well, I understand. But there is no incentive to the contractor to expedite this job, is there?

Mr. FREEMAN. No, sir.

Senator McCLELLAN. The longer it continues, the more rents he collects, the more profit he makes. He gets the fixed fee anyhow. Is that not an unusual arrangement?

Mr. FREEMAN. No. As long as we are within the scope of the contract, and as long as he has the specifications and the drawings and everything that is due him, on time, he cannot get an additional fixed fee.

Senator McCLELLAN. But he can get additional rents, according to your testimony?

Mr. FREEMAN. Yes; he can.

Senator McCLELLAN. That is why I say: He gets the fixed fee anyhow. He does not get any more under the fixed fee, but he continues to profit out of the rental arrangement.

Mr. FREEMAN. Yes, sir. Of course, as far as the profit is concerned, I am of the opinion that when the General Accounting Office goes

over this contract, there will be items disallowed. Because they will dig into it to see if there is profit in these other parts.

The CHAIRMAN. Let me ask you this. You have been paying rental on the equipment now for how many months?

Mr. FREEMAN. Well, of course, some of it is far back as 10 months. There have been additional equipments brought on the job at various times.

The CHAIRMAN. We were informed yesterday that the work on the project is to be discontinued. Will the \$25,000 per month rental on the equipment continue while the work is discontinued? Or do you know?

Mr. FREEMAN. Well, there would be no reason to continue rental rates.

The CHAIRMAN. Do you know whether the rent will be paid during the time the contractor has been ordered to suspend operations? Do you know, or do you not know?

Mr. FREEMAN. Sir, this has happened since I left New York.

The CHAIRMAN. All right. I am just asking. I will ask someone else if you do not know.

Mr. FREEMAN. If it is the termination of the contract, he will be ordered to get everything off the job. If he is ordered to suspend his operation and perhaps start it up again, then the charges will continue on.

The CHAIRMAN. All right. Let me ask Dr. Compton.

Is this correct: that you have not terminated the contract with Watts? You have merely asked him to discontinue any further construction at this time? Is that correct?

Mr. COMPTON. We suspended the contract. I believe, if it has the effect that Mr. Freeman indicates, we will of course terminate the contract.

The CHAIRMAN. You have not answered my question. What have you ordered in this case?

Mr. COMPTON. Suspension.

The CHAIRMAN. Suspension of the operation?

Mr. COMPTON. Suspension of all construction.

The CHAIRMAN. Of all construction. All right. Under the contract, do you consider the \$25,000 a month payment for rental on the equipment?

Mr. FREEMAN. If it is a floating suspension—

The CHAIRMAN. I am asking Dr. Compton.

Mr. COMPTON. I do not know the answer to that, either.

The CHAIRMAN. Would it not be rather important to find that out?

Mr. COMPTON. It would, indeed.

The CHAIRMAN. Who can find it out for us?

Mr. COMPTON. We can telephone to New York.

The CHAIRMAN. Is there not anyone here in the room, any one of your aides, who can tell us whether, after you suspend that operation, you will be paying \$25,000 a month rental?

Mr. COMPTON. It is all handled in New York. Mr. Freeman, if he were in New York, would probably be the one who would be asked.

Mr. FREEMAN. I would know if I were in New York.

The CHAIRMAN. You are the legal officer in New York?

Mr. FREEMAN. I am the engineer.

The CHAIRMAN. I am sorry. In view of Dr. Compton's statement that the contract has not been terminated, that operations and constructions have been suspended, is it your opinion that the \$25,000 a month rentals will continue to be paid?

Mr. FREEMAN. If it is a floating suspension. But there are various types of suspensions.

The CHAIRMAN. Well, now, Dr. Compton is here. He wrote the order. I assume he can tell you what type of suspension.

What type of suspension is it, Doctor, so that the witness can answer?

Mr. COMPTON. Well, I did not intend any floating type of suspension. I meant to shut it down until we could get complete reexamination, such as I mentioned yesterday afternoon. If, as a matter of fact, the nature of this contract, this 8½ percent clause, which was one of the reasons, one of the specific reasons, why my judgment was that we had better shut it down—we want to get at that and eliminate that. If we have to take further action, we do that right away.

The CHAIRMAN. You understand, Doctor, in asking you this question I am not criticizing you for that contract, which was made before you came into the picture.

Mr. COMPTON. I understand.

The CHAIRMAN. All I am trying to find out is what has happened since yesterday, when you ordered suspension of operations. If you can tell Mr. Freeman what you did yesterday, then I assume Mr. Freeman can tell us how much this is costing us per month.

Have you a copy of the order you issued?

Mr. COMPTON. It was approved last night. Here is a copy.

The CHAIRMAN. Would you hand that to Mr. Freeman, then, and see if Mr. Freeman can tell us?

Mr. COMPTON. This was approved last night by the Under Secretary.

The CHAIRMAN. Let us see, then, if Mr. Freeman can tell us whether we are still spending \$25,000 a month on the equipment.

While Mr. Freeman is examining that: This was approved last night by the Under Secretary?

Mr. COMPTON. That is correct.

The CHAIRMAN. His name?

Mr. COMPTON. Mr. Lourie—to whom the memorandum was addressed. I talked to him after the meeting at about 7 o'clock last night.

The CHAIRMAN. Mr. Freeman, one of the Senators has pointed out that you may not have sufficient knowledge of the contract to answer this. If you think you cannot answer it, just tell us.

Mr. FREEMAN. This is general, Senator, and I can't answer it. It would depend upon further interpretation as to the type of action that was taken.

The CHAIRMAN. I assume you work closely with the legal officer in your work, do you not?

Mr. FREEMAN. Yes, sir.

The CHAIRMAN. Could you take that up with the legal officer and get his opinion as to whether or not, under the contract, under that suspension order, we continue to pay the \$25,000 a month or not?

Mr. FREEMAN. Well, if I were to get this order, Senator, I would have to go back for interpretation to determine immediately as to

whether the order meant to suspend the costs involved in the operation or to hold the operation ready and maintain the payrolls and rentals ready to be reactivated.

Mr. COMPTON. Well, it is intended to get rid of that 8½ percent. That, I do know.

Mr. FREEMAN. Well, Mr. Watts stated quite clearly that while that contract was in force that 8½ percent would have to hold. He would not renegotiate that.

The CHAIRMAN. We will gain nothing by discussing this back and forth across the table. We will ask you, if you will, to get in touch with the legal officer, get any interpretation that you consider necessary, and then see if you can tell us just what expenses will continue on under the contract.

Senator McCLELLAN. I would suggest also that if you find that those rentals would continue under this stop order, this suspension order, you ascertain from him and tell this committee what kind of an order is necessary to suspend the payment of rentals as well.

Mr. FREEMAN. Yes, sir.

The CHAIRMAN. And also I would like to know from you and the legal department what will happen if the contract is terminated by Mr. Compton, what liabilities the Voice has under it, how much money Mr. Watts will receive, whether he will be able to keep all of the equipment which the Government apparently has already almost completely paid for, or if there is any chance of recapturing any of the loss we have had under it; in other words, the complete picture if you can get that. And I know that is too big an order for you to give it to us today.

Mr. FREEMAN. I can answer quite generally the question you have just placed. If we have a termination clause in the contract which allows the Government to terminate the contract at any time for reasons determined by the Government—

The CHAIRMAN. Mr. Freeman, let me interrupt you. You are speaking of a termination clause in the contract. I am not interested in any speculation now. I want you to examine the contract, go over it with the legal officer, and give us the answer without the "ifs."

Let us go on to another point. I assume you have examined these various projects to determine roughly how much waste there has been on each project. Is that correct?

Mr. FREEMAN. Yes, sir.

The CHAIRMAN. Would you like to run down, project by project, and give us your estimate of the waste in each particular Voice broadcasting project? I am speaking of the waste in the construction only.

Mr. FREEMAN. Yes, sir. I would like to preface it by saying that these are my opinions in the matter.

Basically, at the two Baker plants, which are both in isolated areas, I would not have spent \$750,000 at each project to put up a transmitter building, a building which will be a very fine building when it is finished. But I feel, personally, that we should use every dollar given to the Voice to get out a radio signal and minimize the cost of the associated items.

The CHAIRMAN. In other words, you feel there is no need, for example, for a \$750,000 building down in the swampland in Baker East?

Mr. FREEMAN. That is right, where \$150,000 would put up a satisfactory building to house the transmitters.

The CHAIRMAN. Here is a question that has not been answered by any of the witnesses so far. Do you have any knowledge as to why the Voice selected swamp land, some of it covered with water, that had to be drained, inaccessible until a road was built into the area, for Baker East? Was not other land available? What is the general picture of that?

Mr. FREEMAN. I examined the record in New York, showing what the survey team did. There is not too much written there. And I asked questions around concerning it. And I sort of hate to bring it out here, but it was told to me, and this is strictly hearsay, that Senator Kilgore's relatives were involved in some of the land that was bought down there, and I don't know who or where. I am only repeating what was told to me when I joined the operation up there and asked why.

The CHAIRMAN. I think we should restrict ourselves not to what has been heard so much as to what you, yourself, know.

Mr. FREEMAN. Well, that is the reason I—

The CHAIRMAN. You, yourself, do not know that to be a fact at this time?

Mr. FREEMAN. No, sir; I do not.

The CHAIRMAN. We have asked Dr. Compton to give us the name of the man from whom the land was purchased.

Can you give us his name at this time?

Mr. COMPTON. Yes. His name is Charles Carrigan.

Senator JACKSON. Did he sell it, or did he handle it?

Mr. COMPTON. He handled it.

The CHAIRMAN. Mr. Compton, I want the name of the man from whom you purchased the Baker East land.

Senator JACKSON. Who sold it to the Government?

Mr. COMPTON. I don't know. Mr. Carrigan is the man who made the arrangement.

The CHAIRMAN. I told you to get that and have it here at 2 o'clock. Can you not get the information?

Mr. COMPTON. Mr. Carrigan is in the room.

The CHAIRMAN. Mr. Carrigan, will you stand up? Will you be sworn, please? In this matter now in hearing before the committee, do you solemnly swear to tell the truth, the whole truth, and nothing but the truth, so help you God?

Mr. CARRIGAN. I do.

The CHAIRMAN. I wonder if you would come up here, Mr. Carrigan. Would you spell your name for us, please? There are so many different ways of spelling "Carrigan."

TESTIMONY OF CHARLES B. CARRIGAN

Mr. CARRIGAN. C-a-r-r-i-g-a-n.

The CHAIRMAN. And your first name?

Mr. CARRIGAN. Charles B.

The CHAIRMAN. Charles B. Carrigan. The only information we want from you at this time, Mr. Carrigan, is the name of the individual from whom you purchased the land on which Baker East was located.

Mr. CARRIGAN. There were about 16 individuals involved. The largest owner was the K. Clyde Council estate.

The CHAIRMAN. That is the estate of K. Clyde Council. How many acres?

Mr. CARRIGAN. Fourteen hundred acres.

The CHAIRMAN. All right. And the next one?

Mr. CARRIGAN. The International Paper Co., with about 550 acres.

The CHAIRMAN. The National Paper Co.?

Mr. CARRIGAN. The International Paper Co.

The CHAIRMAN. And how many acres?

Mr. CARRIGAN. 550 or 560 acres. There was a C. H. Settlemyer, about 110 acres.

The CHAIRMAN. C. H. Settlemyer, 110 acres?

Mr. CARRIGAN. Yes. And I can't think of the initials, but there was a party by the name of Devane from Fayetteville.

The CHAIRMAN. D-e-v-o-n?

Mr. CARRIGAN. D-e-v-a-n-e.

The CHAIRMAN. Devane, from Fayetteville.

Mr. CARRIGAN. Yes.

The CHAIRMAN. Fayetteville, N. C.?

Mr. CARRIGAN. Fayetteville, N. C. They had about 225 acres. And T. H. Maulsby, M-a-u-l-t-s-b-y. They had approximately 225.

The CHAIRMAN. 225 acres.

Mr. CARRIGAN. And the rest of them were small tracts owned by colored owners. Those are farms, small tobacco farms.

The CHAIRMAN. What was the total acreage purchased?

Mr. CARRIGAN. 2,817 acres, I believe.

The CHAIRMAN. 2,817. Let us see. You have given us 1,960 acres. And you said the total was how much?

Mr. CARRIGAN. 2,800.

The CHAIRMAN. You have a thousand acres to go?

Mr. CARRIGAN. No. The first tract was 1,400 acres.

The CHAIRMAN. Pardon?

Mr. CARRIGAN. The first tract I gave you was 1,400 acres.

The CHAIRMAN. Now, while neither Senator Kilgore nor anyone else is responsible for what his relatives do, I think we should clear up that point, in view of the fact that it was brought up. Are any of these individuals the ones you had in mind, Mr. Freeman?

Mr. FREEMAN. I don't know a thing about it, sir. I am just repeating what was told to me.

The CHAIRMAN. I am not probing this subject, but in view of the fact that it was brought up: Are any of these individuals related to Senator Kilgore?

Mr. CARRIGAN. No, sir, not to my knowledge.

The CHAIRMAN. Then, as far as you know, Senator Kilgore does not figure in this picture?

Mr. CARRIGAN. No, sir.

The CHAIRMAN. What is the total purchase price for all of the acres?

Mr. CARRIGAN. Approximately \$229,000.

The CHAIRMAN. How much did that figure per acre?

Mr. CARRIGAN. A little over \$80 an acre.

From that, you should deduct the timber on this one tract, of 1,400 acres, in order to develop that particular acre where the trans-

mitter building is to be located. There is about a thousand acres of timber which we sold through a sealed bid for \$36,500, or \$36.50 an acre of timber.

The CHAIRMAN. So the actual cost of the land after you sold the timber was about \$195,000?

Mr. CARRIGAN. Roughly in there somewhere.

The CHAIRMAN. Did you pay different prices for different acreage?

Mr. CARRIGAN. On the large tracts, no. That is on the same basis, \$75 an acre, and we disposed of the timber. Or on a \$50 an acre basis, we would let them remove the timber.

The CHAIRMAN. Now, we asked to have the names of all those from whom land was purchased submitted. Do I understand that you do not have the other names, the names of the other sellers?

Mr. CARRIGAN. I certainly could give them to you. I have them right on the property line map.

The CHAIRMAN. Will you submit that to the staff either this afternoon or tomorrow morning, whenever you can?

Mr. CARRIGAN. I would have to go back to my office to get it if you wish it this afternoon.

The CHAIRMAN. Mr. Carrigan, I think there is a question which we will ask all witnesses involved in these transactions from now on. I want to make it very clear to you and to the press that the mere asking of this question does not carry any implication with it. It is a question, however, that I think we should ask, and one that we ask not only of you but the other witnesses. That is this: Do you have any income outside of your salary with the Voice?

Mr. CARRIGAN. No, sir.

The CHAIRMAN. How long have you been with the Voice?

Mr. CARRIGAN. I am not with the Voice. I am with the Central Services Division. And I was loaned to the Voice program, particularly in connection with this land acquisition.

The CHAIRMAN. You have been in Government work over the past 2 or 3 years?

Mr. CARRIGAN. Oh, yes, for 20 years.

The CHAIRMAN. You have had no income aside from your Government salary over the past 3 years?

Mr. CARRIGAN. Yes; I have. I made a thousand dollars in real estate commission from a friend of mine.

The CHAIRMAN. A real estate commission?

Mr. CARRIGAN. That is right.

The CHAIRMAN. Did it have anything to do with land sold to the Government?

Mr. CARRIGAN. No; I acquired this land for a friend of mine, who was a doctor.

The CHAIRMAN. Did you receive anything of value from any of the contractors, any of the sellers of land, or anyone else doing business with the Voice or any other branch of Government over the past 3 or 4 years?

Mr. CARRIGAN. No, sir.

The CHAIRMAN. Nothing of value?

Mr. CARRIGAN. Nothing.

The CHAIRMAN. Again let me say the asking of those questions should not carry any implication. We intend to ask those questions

of every witness who appears. I think we must, because of the unusual picture that is developing, if we want to get that information.

Senator DIRKSEN. Is this the going value of land that you recite here, Mr. Carrigan?

Mr. CARRIGAN. Yes. Timberland down there is very much in demand. It has a high value. In fact, pulpwood is bringing the highest prices in history down there. And this is in an area where there are tree-growing farms, primarily for pulp production.

Senator DIRKSEN. You are familiar with this whole tract? You have been over this whole tract?

Mr. CARRIGAN. Oh, many times.

Senator DIRKSEN. Is some of it under water?

Mr. CARRIGAN. I will tell you. In an area where you have flat ground, there is nowhere—

Senator DIRKSEN. Well, look. Is it under water, or is it not?

Mr. CARRIGAN. No, sir. I heard it described as swamp land. It is not swamp land. In fact, in swamp land you would not get the type of timber that could be sold for \$36,000. You won't get this type of timber to grow in swamp land. You will get hardwood.

Senator DIRKSEN. Is the water table high in this land?

Mr. CARRIGAN. No. They have a peculiar soil in North Carolina, which I don't know. In fact, it is not my job to know about what is underneath the ground. They have what is known as a Portsmouth and a Norfolk type soil in that area. The Norfolk soil is supposed to be very good load-bearing soil, and the Portsmouth is kind of a gumbo sort of a soil, which doesn't allow for good drainage.

Senator DIRKSEN. Well, now, you say the water table is high in the land.

Mr. CARRIGAN. Well, you are about a mile from the Cape Fear River, so the table would be high, but I don't know how high it is as to the top of the soil.

Senator DIRKSEN. I can tell you whether a water table is high by just stepping on it, and so could you, I imagine.

Mr. CARRIGAN. Well, it is not a—

Senator DIRKSEN. The water table is high?

Mr. CARRIGAN. It is high.

Senator DIRKSEN. Well, now, the reason for asking the question is this: If the water table is high, certainly if you were going to build any structures you would have to put piling down there, would you not?

Mr. CARRIGAN. Yes, they will have to put piling no matter if they had what they called the good type soil, the Norfolk soil.

Senator DIRKSEN. Do you know what has been spent on draining this land, if anything, either subsurface drainage or—

Mr. CARRIGAN. I have an idea. I know that I have gone back and acquired off-site drainage easements for them.

Senator DIRKSEN. You could not expect to use a helicopter to go to work in the morning, you know. So if it is swamp land, I would like to know.

Mr. CARRIGAN. No; it isn't. In fact, it parallels and borders the Seaboard Airline Railroad.

Senator DIRKSEN. Now, suppose you built a roadway down there. Would you have to pile it?

Mr. CARRIGAN. No. In fact, they used a borrow pit——

The CHAIRMAN. Did I understand that you did not have to drain some of the land?

Mr. CARRIGAN. What is that?

The CHAIRMAN. Do I understand that you did not have to drain any of the land?

Mr. CARRIGAN. Oh, no. There is a drainage problem there, because it is a flat area. And the only way that water, the drainage water, can get off there is by digging drainage ditches.

The CHAIRMAN. So you dug drainage ditches?

Mr. CARRIGAN. That is right.

The CHAIRMAN. And you had to do that before you could use the land. And you would have to do that anywhere in that particular part of North Carolina? Now, do you know why that particular area was selected, an area which had to be drained?

Mr. CARRIGAN. No; I don't think that was one of the considerations. In fact, you could not tell whether there was any waste there. We walked over a large portion of it. It was heavily treed, and there were several evidences of damp spots.

The CHAIRMAN. Those damp spots: How damp were they? Were they under water?

Mr. CARRIGAN. Well, you might have an area, say, as large as this room where the water had settled and stayed there. You might have 6 inches of water.

The CHAIRMAN. But no more than that?

Mr. CARRIGAN. No; it wasn't any lake.

Senator DIRKSEN. Mr. Freeman mentioned survey parties that went down there from the Voice.

Mr. FREEMAN. Yes, sir.

Senator DIRKSEN. Can you say something to the committee about what they found about this land?

Mr. FREEMAN. The reports of the survey committee, Senator, did not indicate the presence of water. And it is very possible that they wouldn't have. Because the water table, during the dry season in the summer down there, was at -14 feet. The first week of rain that we got down there, the table went to -2 and stayed there. And the back part of the site, you had to go through with hipboots.

Senator DIRKSEN. That is right. That is a way of saying that the water table is 2 feet under the land, and if you step in it you go down over your hips, maybe.

Mr. FREEMAN. But if you went down in the dry season, you could walk all through there.

Senator DIRKSEN. Of course, the Voice is expected to work in the nondry season, too, is it not?

Mr. FREEMAN. Yes, sir.

Senator DIRKSEN. And also the dry season.

Mr. FREEMAN. Yes, sir.

You asked about the drainage. The estimate to drain the land is about a hundred thousand dollars.

The CHAIRMAN. About a hundred thousand dollars to drain it. How about the building of the roads?

Mr. FREEMAN. The access road to get into the transmitter is estimated at a quarter of a million dollars.

Senator DIRKSEN. How long is that road?

Mr. FREEMAN. Fifteen thousand feet.

Senator DIRKSEN. That is just a little less than 3 miles. So that is about \$80,000 a mile?

Mr. FREEMAN. Yes, sir.

Senator DIRKSEN. Is it surfaced?

Mr. FREEMAN. The road, as it presently stands, has had the sand brought into it from an outside borrow pit, but it would not be surfaced until we have gone through a dry season. The road has ditches cut on either side, and if Senator McCarthy did duty at Cherry Point, he knows what I am talking about. And then the sand is placed in there and allowed to settle, and the drainage takes the water out from underneath the road and carries it away: so that you would not top the road, bluestone it, or top it, until such time as the road has had a chance to settle, and the construction equipment going over this road will help to pack it down.

Senator DIRKSEN. What will it cost to surface that road?

Mr. FREEMAN. The estimate I gave you of a quarter million is to complete the road.

Senator DIRKSON. I see; surfacing it and all.

Mr. FREEMAN. Yes, sir.

Senator McCLELLAN. May I ask who selected this site, who passed on it for the Government?

Mr. CARRIGAN. The engineers in charge.

Senator McCLELLAN. Well, who are they?

Mr. CARRIGAN. I think there was a Mr. Kaplan and another engineer. I don't recall his name—Mr. Holland.

Senator McCLELLAN. You did not have that responsibility?

Mr. CARRIGAN. No; my responsibility was to acquire the property.

Senator McCLELLAN. After the selection of the site or general area had been made by someone else?

Mr. CARRIGAN. That is right.

Senator McCLELLAN. Do you know whether any commission was paid on the part of the Government to anyone for securing these lands?

Mr. CARRIGAN. No, sir. I acquired the land directly by direct negotiation.

Senator McCLELLAN. There was no commission paid?

Mr. CARRIGAN. No commission.

Senator McCLELLAN. Did any of them have to be condemned?

Mr. CARRIGAN. I took it all by condemnation, which constitutes a friendly condemnation action, primarily because there were minor interests and overlapping contested boundary lines among these colored owners. And it is my opinion that that is the quickest—

Senator McCLELLAN. That is all right. You just made a blanket condemnation and then negotiated settlements?

Mr. CARRIGAN. No; I negotiated the cost of the area prior to filing the condemnation action.

Senator McCLELLAN. You had already agreed upon the price prior to filing condemnation?

Mr. CARRIGAN. I had obtained option agreements.

The CHAIRMAN. Just one further question, just to have the record straight. I think I covered this before, but counsel has suggested the form of a question which I think may be more all-inclusive.

During the past few years, have you or any member of your family ever received anything of value either directly or indirectly from anyone, or the close relatives or associates of anyone, who has done business with any branch of the Government?

Mr. CARRIGAN. No, sir.

The CHAIRMAN. The answer is "No." You may step aside.

Thank you very much.

Mr. FREEMAN, may I ask you this question: That survey was conducted of the land on which Baker East was located. Did that show that a drainage project had to be constructed, or was that survey done in the dry season, with no indication that it had to be drained after the rains?

Mr. FREEMAN. There was no indication in the survey report that I read.

The CHAIRMAN. So that when the land was purchased, apparently those responsible for selecting the site knew nothing about this drainage problem after they had the line up?

Mr. FREEMAN. No, sir, unless they went into it while they were down there.

The CHAIRMAN. Does that seem rather unusual to you? Would it appear to you that the survey of a site would have taken into consideration the damp season and the dry season?

Mr. FREEMAN. Well, it would appear reasonable, Senator, that a survey team would go into the weather conditions of an area, the amount of rainfall, and the various problems associated with it.

The CHAIRMAN. What would you say the total waste would be because of the site having been in either a swamp or a semiswamp, call it what you may?

Mr. FREEMAN. Well, a \$100,000 drainage problem would not have been involved. The estimated cost of the road went up from about \$30,000 to a quarter of a million dollars. Had you been able to just surface the soil that was there, you would not have had the problem of having to build the road on up.

The CHAIRMAN. What would you say the total waste is insofar as Baker East is concerned, if the project were to be completed?

Mr. FREEMAN. The waste on Baker East?

The CHAIRMAN. Yes.

Mr. FREEMAN. The waste on Baker East is attributable primarily to the site. And in addition to that, the construction of buildings beyond the scope of what would be required to house the facilities that we intend to place there.

The CHAIRMAN. What would that total, roughly?

Mr. FREEMAN. It would total over a million dollars.

The CHAIRMAN. That is the on-site waste. How about the waste that has resulted from placing it within the magnetic storm area, as against placing a station south beyond the magnetic storm area?

Mr. FREEMAN. Well, if we are placing a station where it would not be usable, we would be wasting \$9 million involved in putting the station up, with the ability to recover some of that as the equipment could be recovered and used in other locations.

The CHAIRMAN. In other words, everything that has been spent on Baker East is not wasted if we move now. I assume the land can be resold?

Mr. FREEMAN. Yes, sir.

The CHAIRMAN. Do you have any idea as to the reasonable value of that land, per acre?

Mr. FREEMAN. No, sir; I do not have.

The CHAIRMAN. And the transmitters, I assume, can be used someplace else?

Mr. FREEMAN. The transmitters could be used elsewhere.

The CHAIRMAN. And how about Baker West, the estimate of waste in that area? And if you will, combine the figures resulting from the on-site waste and the figures on mislocation.

Mr. FREEMAN. Well, the clearing on Baker West which originally was estimated in some of the writings I have seen was to cost about a hundred thousand dollars; in other words, to remove the timber and that sort of thing.

The CHAIRMAN. Of course, you may find that in any site.

Mr. FREEMAN. Well, it was originally estimated at a hundred thousand dollars to do that job. It has run up to \$280,000 so far to do that job.

The CHAIRMAN. Are we also paying for the equipment to clear the land, the same 8½ percent per month?

Mr. FREEMAN. The 8½ percent month is on the equipment that has been used, yes, sir, to clear the land.

The CHAIRMAN. To clear the land also?

Mr. FREEMAN. That is correct; yes, sir.

The CHAIRMAN. What would you say the total waste on Baker West would be?

Mr. FREEMAN. The total waste on Baker West will run well over a million dollars on that site to complete it. It will run beyond that, because the contractor recently, in a meeting in Washington, estimated that the construction would run a million and a half beyond what he had originally estimated. They originally estimated 3.7 million.

The CHAIRMAN. How about the waste as a result of mislocation? Or are you in a position to give us that?

Mr. FREEMAN. Well, the same factor is involved there. The waste as a result of mislocation is the cost of the station if it were completed less what recovery could be made by using the transmitters at another station.

The CHAIRMAN. I am not sure if you got my question. We have had testimony that a station producing the same results could be located farther south and get the same effective result out to the area where the storm area, call it what you will, at a very much lower figure, because much less powerful transmitters would be required. What is the difference in cost?

Mr. FREEMAN. Oh, I see what you are driving at now, sir. I am sorry.

Well, we could reduce the power way down by moving to a location farther south and get the same effective result out to the area the signal is intended to be received.

The CHAIRMAN. Would you be in a position to estimate the cost of broadcasting facilities farther south which would produce the same result as the proposed facilities up where Baker West is now located?

Mr. FREEMAN. I would estimate that farther south, by using economy in the program, we could get away with about 15 percent of what we are spending, and get the same signal strength out in the area.

The CHAIRMAN. In other words, instead of \$10 million, about a million and a half?

Mr. FREEMAN. About a million and a half.

Senator DIRKSEN. I thought Mr. Freeman said that the building at Baker West was estimated at \$750,000. I suppose that is the main structure?

Mr. FREEMAN. That is the transmitting building; yes, sir.

Senator DIRKSEN. The transmitting building?

Mr. FREEMAN. Yes, sir.

Senator DIRKSEN. Now, for \$750,000 you can build a pretty good building, can you not?

Mr. FREEMAN. Yes, sir.

Senator DIRKSEN. This is designed to be permanent?

Mr. FREEMAN. Yes, sir.

Senator DIRKSEN. In other words, the implication from such a building nicely fitted would be that we are in the business of international broadcasting from now on. Would that be a fair assumption?

Mr. FREEMAN. Yes, sir.

Senator DIRKSEN. So there is an element of permanency about all this so far as the plans go?

Mr. FREEMAN. Yes, sir.

Senator DIRKSEN. Now, I have one other question. What particular considerations dictated the selection of this Carolina site? Anything?

Mr. FREEMAN. Well, sir; that is a propagation matter, which is outside of my field. I have seen material written on the subject, but I feel that I am not as qualified as perhaps other people to answer that question. But it should have been selected based on the propagation available at the frequencies that were wanted to be used.

Senator DIRKSEN. Well, now, you have had considerable experience in the electronics field.

Mr. FREEMAN. Yes, sir.

Senator DIRKSEN. To do this kind of a job, would you go down there and pick out 4,800 acres of the type picked out to build that kind of a station?

Mr. FREEMAN. Well, sir, the thing that I would have to do: In other words, that is a specialized field. Before picking out a site, I would require propagation studies to be made. And, of course, the Bureau of Standards is the most logical source. They supplied the Navy with that when I was with the Navy. That was where we went for our information. And based on the recommendations of those people in their technical reports, then you would proceed to determine your site.

Senator DIRKSEN. Now, your sheet shows that you have had some experience in the Navy.

Mr. FREEMAN. Yes, sir.

Senator DIRKSEN. And you say they go back to the Bureau of Standards?

Mr. FREEMAN. Yes, sir.

Senator DIRKSEN. I want to ask the chairman: Was not the testimony that the Bureau of Standards was not consulted about this?

The CHAIRMAN. Yes; the testimony was that the Bureau of Standards was not consulted in this project, but that the Massachusetts

Institute of Technology was hired, at a cost of, I think the figure was, either five or six hundred thousand dollars—it was \$600,000.

Thank you very much, Mr. Freeman.

And we appreciate the fact that you had to get out of bed to come down here today.

Is that correct?

Mr. FREEMAN. The flu tried to get hold of me, but I think I got away from it.

The CHAIRMAN. There were some other figures I wanted to get, but I think there are others just as familiar with the figures, so in view of your condition of semiflu, we will let you go.

Mr. FREEMAN. I will get the other suspension data that you asked me to procure.

The CHAIRMAN. Will you, please?

Just a minute, Mr. Freeman. Counsel has one question to ask you, I believe.

Mr. COHN. Would you come back for just one or two questions, please?

By the way, with reference to the Watts contract down at Baker West, has Mr. Watts notified you whether or not he will complete the contract at the contract price?

Mr. FREEMAN. He has not notified us in New York, but he stated in a meeting in Washington that he estimates now that he would go a million and a half beyond what he originally submitted as a figure.

Mr. COHN. The next question is this: Did there ever come a time when you recommended at the Voice of America that the Watts contract be terminated forthwith?

Mr. FREEMAN. Yes, sir; I recommended that the contract be terminated, for a number of reasons, in a meeting in New York, in Mr. Herrick's office.

Mr. COHN. Was Mr. Herrick there?

Mr. FREEMAN. Mr. Herrick was there, Mr. Al Freeman, legal counsel in New York, was there, Mr. Frank Seymour was there, and Mr. Edward Carter.

Mr. COHN. Now, did Mr. Herrick agree that to suspend the termination of the contract would be wise from a business standpoint?

Mr. FREEMAN. Mr. Herrick agreed, by about 7 o'clock that evening, that it would be wise to terminate the contract, because of Mr. Watts' handling of the contract on the coast.

Mr. COHN. From a business standpoint?

Mr. FREEMAN. From a business standpoint.

Mr. COHN. Did he give any reason why the contract should not be terminated?

Mr. FREEMAN. Yes, Mr. Herrick thought that it would not be a very wise move for us to make at the time, because of repercussions that may be involved in investigations and one thing and another.

Mr. COHN. When did this meeting take place?

Mr. FREEMAN. I would estimate it was about the middle of November.

The CHAIRMAN. Of 1952?

Mr. FREEMAN. Yes, sir, last year.

Mr. COHN. I just want to ask you this one last thing.

Are you familiar with two projects known as John and Jade?

Mr. FREEMAN. Yes, I am.

Mr. COHN. They are two transmitter projects of the Voice; is that right?

Mr. FREEMAN. They are two transmitter projects.

Mr. COHN. And was there any waste encountered by you in connection with them?

Mr. FREEMAN. Well, as far as John and Jade were concerned, it was again a case of the contractor getting on the site before specifications and architectural information was complete.

Mr. COHN. Now, was there any reason why that information should not have been complete before the contract was entered into?

Mr. FREEMAN. The information should always be complete, but it has not been normal to do it that way up there.

Mr. COHN. Now, if it had been done that way, the proper way, up there, how much money would have been saved?

Mr. FREEMAN. About a half a million dollars.

Mr. COHN. About a half a million dollars?

Mr. FREEMAN. Yes, sir.

Mr. COHN. I have nothing more, Mr. Chairman.

The CHAIRMAN. That is all.

Thank you very much, Mr. Freeman.

Mr. FREEMAN. Thank you.

The CHAIRMAN. We would like to hear from Mr. McKesson again. You are reminded, Mr. McKesson, that you are still under oath.

FURTHER TESTIMONY OF LEWIS J. McKESSON

Mr. McKESSON. Yes, sir.

The CHAIRMAN. Now, Mr. Freeman started giving us estimates of the waste in connection with the various projects, not only on-site waste but waste because of mislocation. I wonder if you would care to run down that list and give us your estimate of the waste on the various projects, starting with, No. 1, Baker West. I am not asking for an explanation at this time. I just want the figures.

Mr. McKESSON. If completed as planned, \$9 million.

The CHAIRMAN. \$9 million. Baker East?

Mr. McKESSON. \$9 million.

The CHAIRMAN. How about John?

Mr. McKESSON. Jade, sir?

The CHAIRMAN. No; John.

Dr. Compton, in case I get into something here which is classified, I wish you would let me know.

Mr. COMPTON. It is all classified, but not the code names that you are using.

The CHAIRMAN. The location is classified?

Mr. COMPTON. Yes.

The CHAIRMAN. O. K. We will not go into the location of John. But how about the waste on John?

Mr. McKESSON. On John, my estimate is in the neighborhood of half a million to \$600,000.

The CHAIRMAN. How about Jade?

Mr. McKESSON. Approximately the same, sir.

The CHAIRMAN. How about the curtain antenna?

Mr. McKESSON. The curtain antenna is approximately \$4 million.

The CHAIRMAN. And how about the rhombic antenna? First, will you explain what the curtain antenna is?

Mr. McKESSON. The curtain antenna is an antenna intended to concentrate the beam of the short-wave transmitters, much like a searchlight concentrates the beam of a light. The curtain antenna is a special type which has been used for many years. Technically, it is an array of dipoles properly fed and phased to give a concentration of the radio beam.

The CHAIRMAN. That is what I thought you said. In other words, you use the curtain antenna to focus the signal upon a particular target area?

Mr. McKESSON. Yes, sir.

The CHAIRMAN. And you say there is a waste of about \$4 million in connection with that?

Mr. McKESSON. Yes, sir.

The CHAIRMAN. How about the rhombic antenna?

Mr. McKESSON. The rhombic antenna program—

The CHAIRMAN. That is spelled r-h-o-m-b-i-c, right?

Mr. McKESSON. Yes, sir.

For the particular type of thing for which they were planned, in the first place, it is the wrong type. A curtain antenna can be built for 60 percent of the cost of the rhombic antenna, which I believe costs about \$900,000. That would be about the difference between \$540,000 and \$900,000.

The CHAIRMAN. In other words, about \$360,000 waste, you would estimate, in connection with the rhombic antenna?

Mr. McKESSON. Yes, sir.

The CHAIRMAN. How about the Courier project? That is the ship.

Mr. McKESSON. My estimate on that is that if properly handled that job could have been built for approximately \$700,000 less.

The CHAIRMAN. How about project Dog? Incidentally, is the location of that also classified, Dr. Compton?

Mr. COMPTON. Yes. They all are, sir.

The CHAIRMAN. How about the waste on project Dog?

Mr. McKESSON. That job is still in the embryonic stage, as I understand it.

Of course, things have happened since I left, some time ago. However, my understanding is that if built as other projects are built, the waste would be approximately \$1 to \$2 million.

The CHAIRMAN. How about Tangier? Do you know anything about that?

Mr. McKESSON. That is a completed station, sir, and I believe the cost of that was very excessive, to the tune of possibly a half a million.

The CHAIRMAN. How about Munich?

Mr. McKESSON. That station, I believe, was handled much better, and the loss, or the excessive costs, are not high, although I do know from my associates on the Voice that there were some excessive expenditures, of \$200,000 or so.

Senator DIRKSEN. These are conservative estimates on your part, Mr. McKesson?

Mr. McKESSON. I believe so, and they are my opinion of the estimate.

Senator JACKSON. What is the nature of the waste that you have referred to on each of these stations? The wrong equipment, or mismanagement? Can you generalize?

Mr. McKESSON. Improper contracts would be one; improper design of antennas would be another.

Senator JACKSON. Mostly putting in the wrong equipment?

Mr. McKESSON. No, sir; in general I would have no quarrel with the equipment put in; the radio transmitters being the primary piece of equipment.

Senator JACKSON. I meant the wrong kind of radio-transmitting equipment.

Mr. McKESSON. No. The equipment is very satisfactory.

Senator JACKSON. Then the equipment is satisfactory, and the waste was due to excessive building costs?

Mr. McKESSON. Yes, sir, building costs, improper design of antennas, improper location of stations, excessive delays resulting from greatly increased costs by contractors.

Senator JACKSON. The delay being due to a contractor going on the job before they were ready?

Mr. McKESSON. Things of that nature, yes, sir.

Senator DIRKSEN. It looks like a calculated waste, does it not, Mr. McKesson? Or miscalculated waste?

Mr. McKESSON. I will agree in principle, sir.

Senator McCLELLAN. Do you have what is known as a work order that puts these contractors on the job?

Mr. McKESSON. What is that, sir?

Senator McCLELLAN. Is that the proper term for it? A work order is issued, that puts the contractors on the job prior to the time the specifications are ready? Is that the term you use?

Mr. McKESSON. Well, that term has not, in general, been used in the Voice. However, it is a common term for a Navy contract.

Senator McCLELLAN. It is a common term, is it not?

Mr. McKESSON. Yes, sir.

Senator McCLELLAN. What term is used in the Voice, to put these contractors on there before the plans and specifications are ready?

Mr. McKESSON. Well, the contract is signed, and the contractor immediately goes to work.

Senator McCLELLAN. There is no saving clause or protective clause in the contract, then. The contract is signed, the contract is put into effect, and the expense begins; is that correct?

Mr. McKESSON. I am not familiar with the details of contracts, sir. However, I do know in the case of one project, a large number of American personnel were sent overseas with nothing to do for a considerable period of time.

Senator McCLELLAN. Because there were no plans and specifications ready?

Mr. McKESSON. Yes, sir.

The CHAIRMAN. Just one further question. There was another proposed project called East, not Baker East, but East. The location of that is classified, I understand, also, Dr. Compton.

Mr. COMPTON. It is.

The CHAIRMAN. In any event, we can say it is in a friendly country; a very important project. Is it correct that that project was abandoned because of the excessive expenditures on these other projects?

Mr. MCKESSON. I understand that is true; yes, sir.

The CHAIRMAN. In other words, the money that would normally have been spent for East has been already wasted in other projects, and therefore East was abandoned, as far as you know?

Mr. MCKESSON. Yes, sir.

The CHAIRMAN. And in your opinion, was East a very important chain in the ring broadcasting system, if we are to continue the Voice of America?

Mr. MCKESSON. Yes, sir.

The CHAIRMAN. I think we have nothing further, Mr. McKesson. We have an executive session at 4 o'clock, so, much as I hate to, I will have to ask you people to leave.

The next open session will be tomorrow morning at 10 o'clock.

(Whereupon, at 4 p. m., a recess was taken until 10 a. m., Wednesday, February 18, 1953.)

APPENDIX

EXHIBIT No. 1

JULY 14, 1952.

I—Dr. Compton.

I—F. E. Stoner.

STAFF STUDY BAKER WEST

1. PROBLEM PRESENTED

"Should the Administrator change the site of Baker West?"

2. FACTS BEARING ON THE CASE

IBS initiated extensive research early in 1951, to determine the best areas on the east and west coasts of the United States for the location of the megawatt high-frequency radio-broadcast transmitters. For this survey it employed the Research Laboratory of Electronics, MIT, with Dr. J. B. Wiesner in charge of the project. Dr. Wiesner's group evaluated all propagation data furnished by the Bureau of Standards, the Army Signal Corps, and the Radio Corporation of America. It also considered such factors as the existing disposition of VOA plant facilities, research projects under way, and the role of these megawatt transmitters in the overall plan of operation for the present and future (ring) networks. Dr. Wiesner advised the Department of State on May 31, 1951, and again on December 26, 1951, that the Seattle, Wash., area was the MIT group's first choice for the location of Baker West. Dr. Debetencourt, a member of the MIT group, gave indications on May 24, 1951, that the group would recommend, for first choice, Anchorage, Alaska, and southern California as second choice. This is mentioned to show the indecision of the researchers, as a week later they recommended Seattle, Wash.

The Watt Construction Co., of Seattle, Wash., was awarded the building contract in December of 1951. The delay between May 26, when the decision was known, and December 1951 was caused by relocating the site from Copalis, Wash., to Dungeness, Wash.

At this date a major portion of the site (1,056 acres) has been purchased from the 13 owners, negotiations for the balance are well advanced, several buildings have been removed or destroyed and considerable clearing has been accomplished by a daily working crew of approximately 60 men. It is estimated that we have obligated \$350,000 to date on this project. Renegotiation would entail a major loss of this amount and would delay completion of the project from 6 to 9 months.

It is a well-established fact that the polar regions offer greatly disturbed conditions which prohibit or hinder transmission. The polar regions may be considered as regions in which these disturbed conditions are so frequent as to be normal conditions. During these magnetic storms, the particle bombardment is higher than normal, and conditions of high absorption may extend to much lower latitudes than during undisturbed times. For this reason all commercial operation attempts to have transmission paths as far away from this auroral

absorption zone as is possible. This is accomplished by locating the transmitters as far south as possible.

On high-frequency transmission paths which touch the auroral absorption fringe, transmissions, even with optimum use of frequencies, cannot be expected to allow 90 percent reliability even for as long as a month, and may be less than 50 percent reliable during some months.

In consideration of this important absorption factor in a reappraisal of the Seattle site, practical tests were made during June 1952 by the MIT group in cooperation with the Army Signal Corps and the Federal Communications Commission. Field-strength measurements were made at Seattle, Tokyo, Manila, Portland, Oreg., San Francisco, and Santa Ana, Calif. The propagational data obtained, while inconclusive, indicated that the southern site was superior. At a meeting in New York on July 2, 1952, Dr. Wiesner recommended that we move our megawatt transmitters to southern California. At this same meeting Dr. Beverage, a national authority on antenna and radio propagation, stated he would have located the facilities initially in California but that he would not change the site at this late period. Mr. James O. Welden, the designer and builder of the megawatt transmitters, recommended moving to a southern site in order to obtain maximum efficiency.

Transmission paths from Seattle to the target areas are shorter than from southern California. Land in the Seattle site costs approximately \$250 per acre. It is estimated that the most desirable land in southern California and the area from which transmission will pass the furthest away from the auroral absorption zone will average from \$500 to \$1,500 an acre. The area referred to is the Point Conception area between Santa Barbara and San Luis Obispo.

In reference to television services in the Seattle area will be negligible. In most of the satisfactory sites in southern California interference will be a serious problem. If a southern California site is selected in the Bakersfield area, this interference would be greatly minimized. The area surrounding the Seattle site is not heavily populated. The small town of Dunceness has approximately 1,000 people. The area is flat, the soil has good conductivity, and offers an excellent takeoff path for the target areas. Excellent railroad and highway facilities connect the site with the port of Seattle. Also of great importance is the fact that this area has one of the lowest electrical power rates in the United States and sufficient quantities are available.

The selection of the Seattle site envisaged the early implementation of the overall ring plan. One important phase of this plan was to obtain reliable communication through the polar regions by use of high-power and high-gain antennas with the new method of scatter transmission (VHF). This proposed usage makes Seattle the best selection. However, it presupposes that Congress will provide the necessary funds for the completion of the additional transmitter plants on the west coast.

On June 11 I telephoned Col. Fred P. Andrews, commanding officer of the Alaska Communication System, Army Signal Corps. Colonel Andrews has had approximately 14 years' experience with the effects of auroral absorption. The system he commands operates on a daily basis, circuits from Seattle to Tokyo, circuits from Seattle to points on the Aleutian tip, and circuits within Alaska. This system handles all the commercial business for the Territory of Alaska. I have great confidence in Colonel Andrews' judgment. He stated to me over the telephone that the Seattle-Tokyo circuit, operating on the same frequency bands proposed for Baker West, is the most reliable circuit he has on the system. He stated for the month of June 1952 that this circuit was in operation 94 percent of the time and that for the past year the circuit was in service for 85 percent of the time. This circuit is a multiplex circuit handling ciphered traffic, which requires a high degree of stability. Colonel Andrews stated that the frequencies in use range from 7 to 19 megacycles, and that with frequencies lower than 7 megacycles much better results than those recorded could be obtained. Colonel Andrews confirmed this information by telegram dated July 14, 1952. This information coming from this unimpeachable source greatly favors Seattle.

It would be necessary to make certain that we have a satisfactory site in southern California before decision is made to close out Baker West at Dunceness.

If the decision is to move to California, we must be prepared to explain fully to the Congress and to the press our reasons for doing so. Such exposure may result in congressional investigation and would not be conducive to our obtaining additional construction funds in the near future.

If we remain at Seattle and install our megawatt at that point, we also must be prepared to be continuously under surveillance concerning our output efficiency.

CONCLUSIONS

1. That a more southerly location would greatly improve the propagation of the transmitters, as it removes the path of the electromagnetic waves from the absorption action of the north auroral zone.

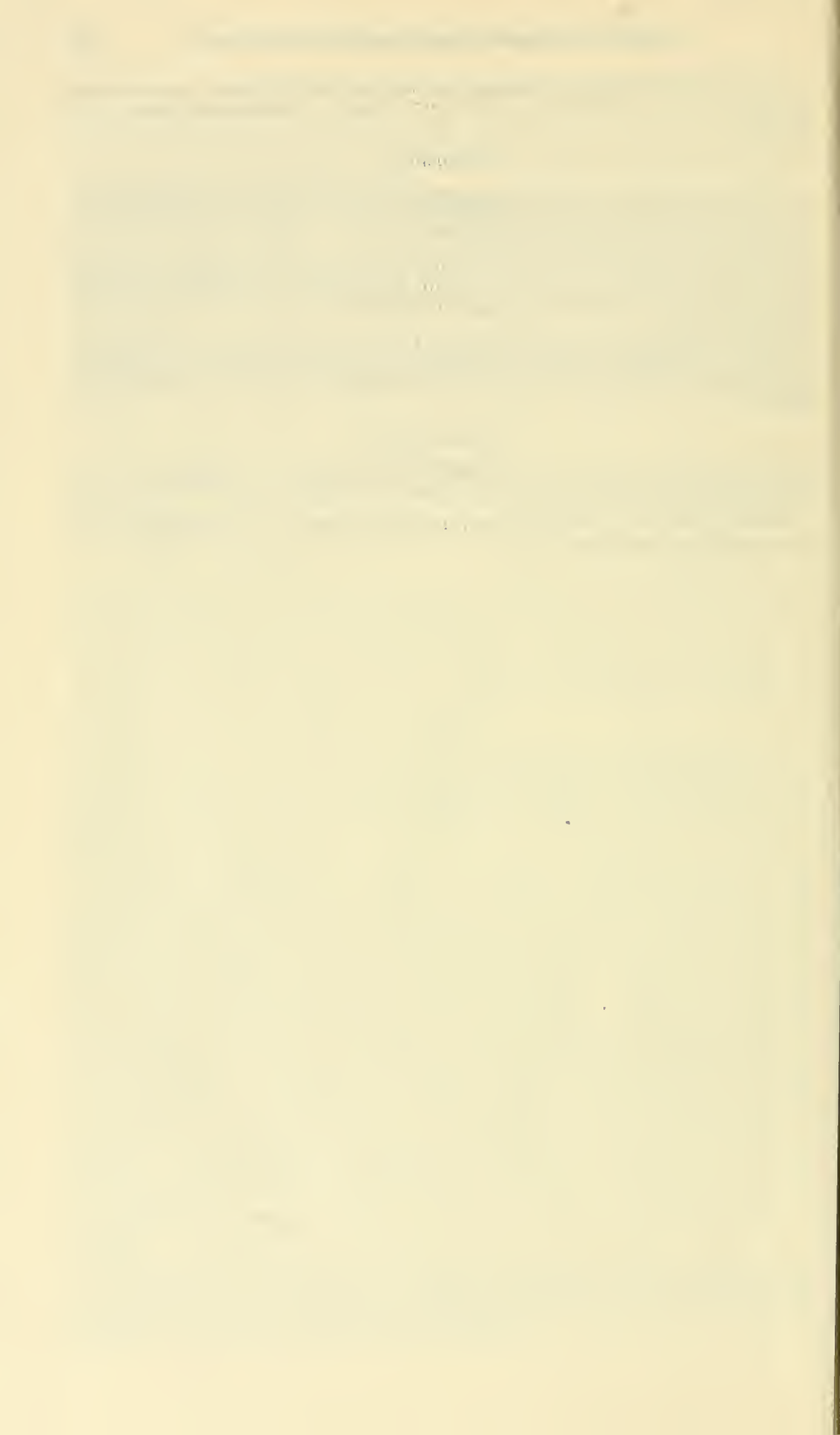
2. That by remaining at the present site we are taking more than a calculated risk. However, in view of the wide distribution of high-powered transmitters on the west coast, all of which will have high-gain, broad-band antennas directed on the various target areas, this flexibility brings the risk within reasonable bounds.

3. The main mission of the Baker West transmitters is to feed John and Jade relays on a point-to-point basis. This service can be accomplished from Seattle. Direct high-frequency reception in all of the target areas is the questionable phase.

RECOMMENDATION

I recommend that there be no change in the present site of the Baker West transmitter and that we reduce to an essential minimum all building and construction costs at the Seattle site;

Further, that we expedite scatter transmission project, diverting funds from other projects if necessary.



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STATE DEPARTMENT INFORMATION PROGRAM—
VOICE OF AMERICA

HEARINGS

BEFORE THE

PERMANENT SUBCOMMITTEE ON
INVESTIGATIONS OF THE COMMITTEE ON
GOVERNMENT OPERATIONS
UNITED STATES SENATE

EIGHTY-THIRD CONGRESS

FIRST SESSION

PURSUANT TO

S. Res. 40

A RESOLUTION AUTHORIZING THE COMMITTEE ON
GOVERNMENT OPERATIONS TO EMPLOY TEMPORARY
ADDITIONAL PERSONNEL AND INCREASING THE
LIMIT OF EXPENDITURES

PART 2

FEBRUARY 18 AND 19, 1953

Printed for the use of the Committee on Government Operations



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STATE DEPARTMENT INFORMATION PROGRAM—VOICE OF AMERICA

WEDNESDAY, FEBRUARY 18, 1953

UNITED STATES SENATE,
SENATE PERMANENT SUBCOMMITTEE ON
INVESTIGATIONS OF THE COMMITTEE
ON GOVERNMENT OPERATIONS,
Washington, D. C.

The subcommittee met at 10 a.m., pursuant to Senate Resolution 40, agreed to January 30, 1953, in room 357 of the Senate Office Building, Senator Joseph R. McCarthy, chairman, presiding.

Present: Senators Joseph R. McCarthy, Republican, Wisconsin; Karl E. Mundt, Republican, South Dakota; Everett M. Dirksen, Republican, Illinois; Charles E. Potter, Republican, Michigan; John L. McClellan, Democrat, Arkansas; Henry M. Jackson, Democrat, Washington; Stuart Symington, Democrat, Missouri.

Present also: Roy Cohn, chief counsel; Donald Surine, assistant counsel; David Schine, chief consultant; Henry Hawkins, investigator; Ruth Young Watt, chief clerk.

The CHAIRMAN. The committee will come to order.

Mr. Ayers, will you raise your right hand? In this matter now in hearing before the committee, do you solemnly swear to tell the truth, the whole truth, and nothing but the truth, so help you God?

Mr. AYERS. I do.

TESTIMONY OF STUART AYERS

The CHAIRMAN. Your name is?

Mr. AYERS. Stuart Ayers.

The CHAIRMAN. That is spelled—

Mr. AYERS. S-t-u-a-r-t A-y-e-r-s.

The CHAIRMAN. You are presently working for the Voice?

Mr. AYERS. Yes, sir.

The CHAIRMAN. How long have you been with the Voice of America?

Mr. AYERS. Since November 1950.

The CHAIRMAN. What is your position at this time?

Mr. AYERS. Acting Assistant Chief, Latin American Division.

The CHAIRMAN. Mr. Counsel, will you proceed?

Mr. COHN. Now, Mr. Ayers, in your capacity as Chief of the Latin American Division of the Voice of America, while you have held that position, have you attempted to carry out the objectives of the Voice of America by conducting programs which would demonstrate the truth concerning our way of life, and would counter false Communist propaganda?

Mr. AYERS. Yes, sir, we do that an average of 2 hours and 25 minutes every night.

Mr. COHN. In these attempts of yours, since you have held your position, have you encountered any opposition?

Mr. AYERS. In our shortwave broadcast, I would say "No." In our platter programs, that is another matter.

The CHAIRMAN. Your platter program?

Mr. AYERS. There are two ways of reaching the information area. One by shortwave, and the other by recordings, which are sent to the field, there to be used on local radio stations.

The CHAIRMAN. The recording program you call the platter program?

Mr. AYERS. Yes.

Mr. COHN. Now, with reference to the platter program, you say in response to my question as to whether you encountered interference in your anti-Communist program, that that was another matter. Is it in your testimony that you have encountered interference?

Mr. AYERS. Yes. In that programs we felt would be in the national interest were somehow not produced, and others we felt were rather fragile or not of anti-Communist content were produced to be sent to the field.

Mr. COHN. Let me ask you this. You say that it is divided into two parts, and the part which we are now discussing is that concerning the platters, the recordings which were made and sent out to Latin American countries to be placed on radio stations and broadcast to audiences we were seeking to reach there; is that right?

Mr. AYERS. Yes, sir.

Mr. COHN. I would like to talk about the year 1952. Was your division, the Latin American Division, supposed to have a certain budget, a certain allotment of money, in order to carry out the anti-Communist program with reference to these matters?

Mr. AYERS. Yes, there was to be a budget apportioned for us.

Mr. COHN. At the beginning of the year, did you seek to ascertain just how much money was going to be allotted to you for that purpose during the year?

Mr. AYERS. We did.

Mr. COHN. Were you able to do so?

Mr. AYERS. No, sir, we were not.

Mr. COHN. Who did you consult in an attempt to find out how much money you would have so you could plan out your recordings program?

Mr. AYERS. I personally did not consult anybody, because it was not my particular function at that moment, but the Chief of the Division, Stephen Baldanza, repeatedly asked that information from the Chief of the Overseas Services Branch, Robert Bauer, who had charge of apportioning that money for our approval.

Mr. COHN. Did Mr. Bauer furnish that information?

Mr. AYERS. No, he did not.

Mr. COHN. Let me ask you this, Mr. Ayers. What is the Overseas Services Branch?

Mr. AYERS. It is now part of the Field Services Division. It was recently raised to a division status to include other operations, but the Overseas Services Branch is that part of the Voice which prepares

productions in platter form for use in the field by the public-affairs officers attached to the embassies.

Mr. COHN. Is it in charge of making up the budget?

Mr. AYERS. It is in charge of making a provisional budget which would then be approved by the various area divisions.

Mr. COHN. They plan out the budget, in other words?

Mr. AYERS. They plan the budget, yes.

Mr. COHN. And one of the divisions for which they plan the budget is your division, the Latin American Division?

Mr. AYERS. Yes, sir.

Mr. COHN. And your testimony is that at the beginning of the year you asked them just how much your budget would be so you could make plans as to what programs you would map out in the anti-Communist program for the year; is that right?

Mr. AYERS. That is for the beginning of the fiscal year, last July 1.

Mr. COHN. And Mr. Bauer did not furnish that information?

Mr. AYERS. No.

Mr. COHN. Did you or Mr. Baldanza, the chief of your division, make repeated requests to Mr. Bauer and his branch for the information as to how much money was being allocated to you?

Mr. AYERS. Yes, both Mr. Baldanza and our transcription director, Joseph Ries, who is the liaison with the Overseas Services Branch.

Mr. COHN. That is R-i-e-s?

Mr. AYERS. R-i-e-s. Ries made repeated requests for that information.

Mr. COHN. Did they get that information?

Mr. AYERS. No, they did not.

Mr. COHN. Did there come a time when anybody suggested to you and Mr. Baldanza that your division produce a program known as The Eye of the Eagle?

Mr. AYERS. Yes, that did occur.

Mr. COHN. About when was that?

Mr. AYERS. I believe the first suggestion of it came around possibly March of 1952. Then it was merely in discussion form. The decision by Overseas Services to make the series would have been about June and July of 1952.

Mr. COHN. Where did the suggestion that this program, The Eye of the Eagle, be produced, originate?

Mr. AYERS. In Overseas Services Branch.

Mr. COHN. They initiated the suggestion; is that right?

Mr. AYERS. Yes.

Mr. COHN. Did the suggestion come to your attention?

Mr. AYERS. It did, yes.

Mr. COHN. When it was made, what was the position taken by you and your division as to whether or not Voice money should be expended on this particular series of programs?

Mr. AYERS. A suggestion of this sort goes through several different people of course, because it has to be evaluated and that includes the chief of each language area. We have a Spanish area and a Brazilian area, as well as the transcription director who must give their approval of it. So the suggestion went to those three people.

Mr. COHN. Tell us what they said.

Mr. AYERS. The Chief of the Spanish Service felt that the series was a juvenile adventure story; as such would not attract the adult

listeners we wished to reach. He did not want the series for his Spanish area. The Chief of the Brazilian Service felt the same, and was quite emphatic in saying that it would not do in Brazil. It would not be credible; the devices to be used were flimsy and rather foolish, whereas it could easily be seen that it would be an exciting program from a purely entertainment point of view.

Mr. COHN. How about your division?

Mr. AYERS. Those two languages come under our division. So the next voice would be, of course, Mr. Ries, representing the chief.

Mr. COHN. What was Mr. Ries' position?

Mr. AYERS. He saw no use for the series. He had been in the field himself as public-affairs officer for many years, and he could not see that it would do us any good. It would entertain, but it would not carry out any efforts for the national interest.

Mr. COHN. What efforts for the national interest were you and Mr. Ries seeking to carry out?

Mr. AYERS. We wanted to put out programs by radio and platters that would name the enemy as the Communist Party or the individual Communists, and would support the foreign policy of the United States.

Mr. COHN. It was your position that this particular series would not accomplish those objectives; is that right?

Mr. AYERS. That is how we felt.

Mr. COHN. And that was the unanimous conclusion of all those concerned on the language desk?

Mr. AYERS. Yes, sir.

The CHAIRMAN. May I interrupt. I understand that this program, the Eye of the Eagle, was not by any stretch of the imagination Communist propaganda, but rather a type of program that was juvenile and would make us look rather silly; is that the idea?

Mr. AYERS. Yes, it was a juvenile program. Of course, they do have their place in radio, but I think a rather minor place when you are in the propaganda field with a very limited budget. If you want to reach children over a long period, it is splendid. But if you have little money to spend, there are other areas of population where your information would be more effective.

Mr. COHN. Now, when this position of all those concerned on the language desks was adopted, was it made known in any way to the Overseas Service Branch?

Mr. AYERS. Yes, it was, because they themselves questioned each of these individuals as to their reaction to the series.

Mr. COHN. Were they told that you were all against this series and favored instead something which would accomplish the objectives you have stated, naming the enemy and telling the truth concerning the propaganda of the Communist movement?

Mr. AYERS. Yes, we have for some time asked that other program series be produced, among them Animal Farm, which had been prepared by the Russian desk in a good fitting fashion, naming the enemy, and other programs. But they had been put aside, or we had no assurance that they would be produced.

The CHAIRMAN. As far as you know, there was no anti-Communist material in this Eye of the Eagle program; is that correct?

Mr. AYERS. Each of these three persons were assured that there would be anti-Communist material, and that it would carry weight,

even though it was juvenile. As it turned out later, that was not the case. The terms used, such as "democracy" or "lovers of freedom" are the very terms the Communists use to support their own cause when they are attacking us. Our feeling was that this program would not name the enemy and that was our job.

Mr. COHN. Now, what was the position of Overseas Services Branch when told that all the language desks concerned were opposed to this particular program and favored in its stead an anti-Communist series?

Mr. AYERS. They told the chief of the Brazilian service that they would have to take the program anyway, because it had already been bought for the Spanish service. They told the chief of the Spanish service that the embassies had asked for it, and it was necessary to give them a program that would make it easy for them to persuade radio stations to take our heavier hitting recordings. So they might as well take it; it was already contracted for.

Mr. COHN. Let me stop you at that point. Was the proper procedure for them to contract for it before obtaining the approval of the language desks concerned as to whether or not the programs would be desirable?

Mr. AYERS. No. Therefore, they would have to have the approval of Mr. Ries, the transcription director. So Mr. Ries agreed finally that the program would be produced, subject to his approval of the first script, in which he would then know whether or not there was sufficient anti-Communist material to make the series worth while.

Mr. COHN. In other words, they were still assuring Mr. Ries that there would be some anti-Communist material inserted in these programs?

Mr. AYERS. Yes.

Mr. COHN. And on that assurance, Mr. Ries gave his approval; is that right?

Mr. AYERS. Yes; subject to review of the first script.

Mr. COHN. Subject to review of the first script. Were there any other conditions which Mr. Ries attached? Was he given any other assurance insofar as the rest of the budget was concerned?

Mr. AYERS. Mr. Ries insisted that only a small portion of our funds could go into this series, because of our previous requests for hard-hitting anti-Communist material.

The CHAIRMAN. May I interrupt. I do not quite understand the setup. The Overseas Service Branch was ordering the programs for you; is that right?

Mr. AYERS. Yes, sir.

The CHAIRMAN. Am I not correct in this, that the Overseas Services Branch is supposed to be subordinate to you and merely act as more or less a packaging and shipping department?

Mr. AYERS. They were set up on the same level as we were, sir. Originally they had been a shipping department, wrapping up the platters, and the off-the-air recordings of our short-wave shows.

The CHAIRMAN. Was not that its only function when that department was set up, to service your organization?

Mr. AYERS. Yes.

The CHAIRMAN. In other words, the Overseas Services organization was supposed to do the work you ordered done, wrap up the platters and ship them to the right place?

Mr. AYERS. Yes; and they also were supposed to have requests from the embassies and submit those to us for approval and service the embassies as well as us.

The CHAIRMAN. At what point in their proceeding does the Overseas Services Branch become your boss and start to order the programs for you and tell you what you must take and what your budget is to be? I do not quite get that picture.

Mr. AYERS. At no point were they ever allowed to do that. As you mentioned, originally they were a shipping office, and nothing more. Then they were set up on the same level as we were, but to operate only on our approval. So there was no authority for either one or the other. They could not prepare a series unless we gave approval. But either they or ourselves could originate the program idea.

Senator SYMINGTON. They were in effect a service agency for you; is that right?

Mr. AYERS. Yes, sir; they were.

Senator SYMINGTON. To whom did they report?

Mr. AYERS. They reported to the Chief of the Program Division, who was Mr. Puhon.

Senator SYMINGTON. How do you spell that?

Mr. AYERS. P-u-h-a-n.

Senator SYMINGTON. And to whom did you report?

Mr. AYERS. I reported to my chief, Stephen Baldanza.

Senator SYMINGTON. And to whom did he report?

Mr. AYERS. Mr. Puhon.

Senator SYMINGTON. So Mr. Puhon was responsible for the servicing you received from the Overseas Service agency; is that right?

Mr. AYERS. Yes; through his Deputy, the Chief of the Overseas Branch.

The CHAIRMAN. That is spelled P-u-h-a-n?

Mr. AYERS. Yes, sir.

The CHAIRMAN. What is his first name?

Mr. AYERS. Alfred.

The CHAIRMAN. I still do not quite have the picture, Mr. Ayers. This General Service Branch was supposed to do the packaging, shipping, and transmit requests to you, and ended up telling you that you had to take this program, The Eye of the Eagle. Whence did they get that authority?

Mr. AYERS. They never had the authority, sir. They were not to tell us that we had to do anything, but to ask our opinion and to act in conjunction with us.

The CHAIRMAN. Then why did you listen to them? Why did you take this particular program if they did not have that authority?

Mr. AYERS. Because they promised us that this would be only a small part of our budget, and that as this would start production, the other programs would also be put into production which we had requested. They did have some correspondence from the embassies asking that there be a followup for another series of a similar nature that they had had before.

The CHAIRMAN. You say they told you this would only be a small part of your budget. What was the final result? Was this production, The Eye of the Eagle, only a small part of your budget?

Mr. AYERS. No, it turned out to be almost our entire budget.

The CHAIRMAN. Almost your entire budget?

Mr. AYERS. Yes. We had felt that we would have a \$188,000 budget for the fiscal year. That was later reduced and when we discovered what our total budget was, all but two or three thousand dollars had been spent for this one program.

The CHAIRMAN. What is the cost of this one program, if you know?

Mr. AYERS. It is very difficult to say what the cost was because even today we have not heard how much money was spent for us in the first quarter of the fiscal year. All we know is that during the second quarter of the fiscal year about \$30,000 was spent by Overseas for us, of which I would say \$28,000 approximately was put into this one program.

The CHAIRMAN. So that you had \$28,000 in this juvenile program which you say contained no information in regard to the Communist Party, and you had only \$2,000 left to carry on a program of education insofar as the Communist Party was concerned?

Mr. AYERS. I would like to add a little bit to that, if I might. The original scripts, as we received them from Overseas, had no anti-Communist propaganda, or so little anti-Communist propaganda as to be in our opinion worthless. However, we endeavored to write in the corrections for those scripts whenever we could see them, and they were produced with those corrections in, but not in all cases. At least when we saw the scripts they were.

Mr. COHN. You say the two conditions under which you agreed to accept this program, the series, The Eye of the Eagle, were, No. 1, the assurance that they would contain some anti-Communist statements, some anti-Communist information, or some information which would name the enemy, as you say, and No. 2, on the assurance that this would be only a relatively small part of your total budget for platters, so that you could use the great majority of that budget for the purpose for which the Voice exists, telling the truth about our way of life, and countering Communist propaganda; is that right?

Mr. AYERS. Yes, sir.

Mr. COHN. Is it your testimony that neither of those promises were kept?

Mr. AYERS. As regards the funds, no, they were not. As regards the anti-Communist propoganda, they were kept when we were able to write in the material.

Mr. COHN. Were they kept by the people who gave you the assurance that when the scripts came to you they would contain anti-Communist propoganda?

Mr. AYERS. No.

Mr. COHN. By the Overseas Service Branch, neither of those two promises were kept. Is that a fair statement?

Mr. AYERS. That is a fair statement as regards the original scripts.

Mr. COHN. I am talking about before they got to you.

Mr. AYERS. Yes; that is right.

Mr. COHN. You have told us when the end of the year came you found out that virtually your entire budget had been used on this one worthless series, as you described it, and there was virtually nothing left for anti-Communist work; is that right?

Mr. AYERS. We discovered that in October at the beginning of the second quarter of the year. Our entire four-quarters budget had been put into this one series, with the exception of a little money for special anniversary shows.

Mr. COHN. And you had repeatedly asked during the year for some information as to how much money exactly you were being allotted and how much would be left over for the anti-Communist program; is that right?

Mr. AYERS. That is right.

Mr. COHN. And they would never tell you how much?

Mr. AYERS. That is right.

Senator SYMINGTON. I would like to get this straight. You were operating under a budget as the head of the department, but you did not know what the budget was; is that right?

Mr. AYERS. That is right.

Senator SYMINGTON. Did you ask what it was?

Mr. AYERS. We asked what it was, but we were never told.

Senator SYMINGTON. Did they ever say they would tell you?

Mr. AYERS. Yes, they were always about to tell us, but somehow did not make up their mind how much we would get.

Senator SYMINGTON. Did you protest to Mr. Puhon that you did not know what the budget was?

Mr. AYERS. Yes, we did.

Senator SYMINGTON. What did he say to you about it?

Mr. AYERS. He told us we were entitled to know and he directed Mr. Bauer to tell us what the budget would be.

Senator SYMINGTON. But Mr. Bauer still never did until he used the budget up on the Eye of the Eagle; is that correct?

Mr. AYERS. That is correct.

Senator SYMINGTON. Thank you.

Mr. COHN. Now, Mr. Ayers, insofar as the second assurance they gave you was concerned, namely, that there would be statements in the scripts naming the enemy and carrying out the anti-Communist program in which the Voice was engaged, you have told us that that assurance was not kept by the Overseas Service Branch; is that correct, before the scripts got to you?

Mr. DAVIES. Yes; that is correct.

Mr. COHN. Now, you told us that they were supposed to submit the first script to your Division to see whether or not it did contain this anti-Communist material. Did they ever submit that first script to you?

Mr. AYERS. No, they did not. One day Mr. Ries happened to be in their office about other matters, and he discovered a fifth script.

Mr. COHN. In other words, they had gone through the first four, and had not submitted them to your Division; is that right?

Mr. AYERS. They had gone ahead with production without submitting the first script for his approval, which approval, of course, would have started the entire series.

Mr. COHN. I assume it goes without saying that in the course of operations up there, the proper procedure would be to submit the scripts to your Division before they were produced?

Mr. AYERS. Yes; that is essential.

Mr. COHN. And in this case, the first four were never submitted to your Division?

Mr. AYERS. No.

Mr. COHN. The first one was not, and it was just by accident that Mr. Ries came across the first four?

Mr. AYERS. No. He came upon the fifth script and was told at that time that the first 4 had already been approved by Overseas, had been translated, and had been produced on records, and were ready to send to the field, so there was nothing that could be done about corrections for the first 4.

Mr. COHN. Now; did he examine the first four at that point?

Mr. AYERS. Yes; he examined the first 4, and No. 5, at that time.

Mr. COHN. Did he think they needed some corrections?

Mr. AYERS. Yes. They did not name the enemy.

Mr. COHN. They did not name the enemy?

Mr. AYERS. No.

Mr. COHN. Were they worthless from the standpoint of anti-Communist information?

Mr. AYERS. Yes.

Mr. COHN. Was a complaint made to the Overseas Services Branch about this?

Mr. AYERS. Yes. Mr. Ries brought in script No. 5 and some of the others to me, and showed me corrections that he was making to name the enemy and to strengthen the script dramatically. He also wrote a memo to Overseas Services, asking that in the future the enemy be named and there be no doubt in anybody's mind that this was an anti-Communist series.

Mr. COHN. And did the Overseas Services Branch, in view of those complaints, agree not to go ahead with the first four shows?

Mr. AYERS. No. They said the first four shows had already been made, money had been invested in them, so they would be sent out to the field, but the corrections he made in subsequent scripts would be put in as directed.

Mr. COHN. Now, did Mr. Ries in your Division examine scripts 5 through 25 for this series?

Mr. AYERS. Yes. In each case Mr. Ries wrote in the anti-Communist material that had not existed in the original scripts.

Mr. COHN. You mean in the case of the first 25 scripts, as they were prepared and submitted to your Division, not one of them contained satisfactory anti-Communist material; is that right?

Mr. AYERS. That is correct.

Mr. COHN. And in each and every one which you were given the opportunity to examine, corrections had to be made to get across the objectives of the Voice?

Mr. AYERS. Yes; and name the enemy.

Mr. COHN. Is that a fair statement?

Mr. AYERS. Yes, that is true.

Mr. COHN. Now, did there come a time when you saw script No. 26?

Mr. AYERS. Yes, sir.

Mr. COHN. And did script No. 26 name the enemy and contain anti-Communist material?

Mr. AYERS. No. There were two mentions of the word "Cominform" in the script, but I didn't consider that naming the enemy, because especially in radio where the word goes rather quickly, Cominform would not mean anything to the listener. Communist would.

Mr. COHN. Did you make corrections in this script?

Mr. AYERS. Yes. I inserted seven mentions of the name "Communist" in the script.

Mr. COHN. Seven mentions; is that right?

Mr. AYERS. Yes, sir.

Mr. COHN. Did you go to the Overseas Service Branch and insist that they embody those corrections you have made, naming the enemy, into the script?

Mr. AYERS. Yes. In fact, I even wrote them a memo saying that we would hereafter name the enemy in every script and not use the word "Cominform" when we could say "the Communist gangster" or other names we used to peg the names.

Mr. COHN. So the audiences would understand just what we were trying to get across.

Mr. AYERS. Yes.

Mr. COHN. Is it your testimony that you wrote a formal memo complaining about this to the Overseas Service Branch?

Mr. AYERS. Yes.

Mr. COHN. Was that memo dated October 14, 1952?

Mr. AYERS. Yes, sir, it is.

Mr. COHN. Did you state in that memo as written the script was absolutely worthless from a propaganda point of view, and did you continue, "We don't want to waste our money on pap when we can use it for bullets?"

Mr. AYERS. Yes, I did.

Mr. COHN. And you filed such a memo with the Overseas Service Branch?

Mr. AYERS. I did.

Mr. COHN. What position was taken by the Overseas Service Branch with reference to this memo you filed saying that money was being wasted on pap when it could be used for bullets, and that the scripts were worthless from a propaganda point of view?

Mr. AYERS. Their reaction was I would say slightly between annoyance and rage. They did not care for the memo.

Mr. COHN. Did they ever ask you to withdraw the memo from the files?

Mr. AYERS. They did ask me to withdraw the memo; yes.

Mr. COHN. What did they promise to do if you would withdraw the memo from the files?

Mr. AYERS. They promised to write in the corrections I had made, and that I would see that all future programs would carry the anti-Communist material.

Mr. COHN. In other words, they told you if you would agree to withdraw this memo from the files, charging that the scripts were worthless, and that money was being wasted when it could be well spent in connection with the objectives of the Voice, if you withdrew that memo, they promised you that the corrections you had made in script No. 26 to name the enemy would be used in the program and future scripts would be submitted to you and your corrections would be accepted; is that right?

Mr. AYERS. Yes, sir.

Mr. COHN. Now, were the corrections you made in script No. 26 so that it would embody anti-Communist material ever accepted by the Overseas Services Branch?

Mr. AYERS. No. When we finally received——

Mr. COHN. Your answer is no?

Mr. AYERS. No.

Mr. COHN. When did you discover that these corrections had not been made as promised?

Mr. AYERS. It was not until the end of December that the script was finally given to us in translation.

Mr. COHN. And did you read the script when it was given to you in translation?

Mr. AYERS. I did.

Mr. COHN. Had these seven mentions, naming the Communist enemy, been placed in the script as they had promised you?

Mr. AYERS. No, not one of them.

Mr. COHN. Not one of them?

Mr. AYERS. No, sir.

Mr. COHN. At that point——

Senator POTTER. Mr. Counsel, if I may interrupt, over what period of time did this take place from the time that you received the first script until the 26th or 25th script came to your attention? Were they submitted once a week or once every 2 weeks or once every day?

Mr. AYERS. They come in as the author writes the scripts. There might be 2 a week or sometimes 5 would come in. Mr. Ries would then go over them as they came in. They began coming in, I believe, in July, so that by October we had had up to 26.

Senator POTTER. Were they being transmitted right along as Mr. Ries rewrote the script? Were they then immediately transmitted?

Mr. AYERS. As they were corrected and approved in English, they would be put in Spanish, and Mr. Ries would then have the Spanish translation and approve that, or write in further corrections, and then they would be produced on recordings. That continued during all this time.

Senator POTTER. How long a period would you say it was from the time you received your first transcript until, say, the 25th script?

Mr. AYERS. It was approximately 3 months.

Senator POTTER. Now, the gentleman that you mentioned who is responsible, who is the authority for both your Division and Overseas Division, what is his name again?

Mr. AYERS. We have a transcription director whose name is Mr. Ries. He is responsible to the Chief of our Division.

Senator POTTER. The man who is in charge of both services, the Overseas Division reports to him, and yourself.

Mr. AYERS. The program manager is Mr. Puhan.

Senator POTTER. Now, I assume that you have reported to him that you were not getting the type of script that you wanted from the Overseas Branch during this period of 3 months; is that true?

Mr. AYERS. We reported to him on other difficulties we had with Overseas Branch, but not this in particular—not on the individual scripts.

Senator POTTER. Was he sympathetic to your recommendations?

Mr. AYERS. Yes, I think so. He said that he would be the referee of discussions that we had. He knew that we had difficulties with Overseas, and that they seemed to be usurping authority which he had placed on a discussion basis between us, and he asked for us to

meet with Overseas and work the matter out, which we did. We tried to. But that was after this trouble had happened.

Senator POTTER. Apparently he exerted no force or pressure from his own position of authority to bring about the changes which you desired, at least during this 3-month period.

Mr. AYERS. I felt that he tried to work things out by getting us together and let us talk things out or thresh them out in his office. I think he was fair about it, because frequently in discussions of this sort, he may be a little officious.

Senator POTTER. He was the man that had the authority to bring about the change that you desired, and apparently that was not done. Now, either the head of the Overseas Branch was outwitting him or he was not firm enough or else he was not too dedicated to the recommendations you were making. Am I fair in that statement?

Mr. AYERS. Mr. Puhon directed that Overseas not do any programs without our approval, and by that time our money had been all spent, so the direction was academic.

Senator POTTER. Did Overseas write their own script or did they contract for the script?

Mr. AYERS. They contract for a script.

Senator POTTER. Is not that a little unusual for the service branch to have the authority for writing the script, rather than your branch?

Mr. AYERS. Yes, we write all the programs for shortwave and for many of the platters, too, and in other language divisions the scripts are written within the language division. Overseas acts as sort of an administrative office, mostly duplicating the work that we do, and administration.

Senator POTTER. In this case they were actually determining policy, the type of script that you were transmitting.

Mr. AYERS. Yes. Unfortunately they were, and that is where our differences of opinion came in, because we felt that we were area experts and policy should be formed by us.

Senator POTTER. In other words, in this case the service agency was determining a policy when your agency and his own superior person in the Voice should be making that determination.

Mr. AYERS. Yes.

Senator POTTER. They were exceeding their authority.

Mr. AYERS. They were exceeding their authority, and Mr. Puhon told them they were.

Senator POTTER. Thank you.

Senator SYMINGTON. If they were exceeding their authority in the opinion of Mr. Puhon, why did he not do something about it, if they were reporting to him?

Mr. AYERS. We brought the matter to Mr. Puhon's attention, and he called a meeting of the Overseas and of us, and at that time Mr. Puhon directed them not to exceed their authority, not to produce programs without our approval, so we felt that that condition might exist from that time on.

Senator SYMINGTON. What I am trying to say, in spite of the fact that was his direction, they did not do anything about his direction, even though they work for him.

Mr. AYERS. Yes, but our money had all been spent before they did anything about it.

Senator SYMINGTON. So the instructions were academic.

Mr. AYERS. Yes.

Senator POTTER. That is poor administration when you allow your money to be spent and your directives are not being followed.

Mr. AYERS. If we had known what our budget was before then, we never would have allowed all the money to be spent on this one program. As a matter of fact, the day that we did find out what our budget was, we asked Overseas to stop production on the Eye of the Eagle, because we felt what little money was left should be used for other programs. But they felt they could not do that, because it would mean canceling contracts.

The CHAIRMAN. Mr. Ayers, you have recited what would appear to be the result of—what would you say—carelessness, stupidity, or worse. What is your evaluation of the matter?

Mr. AYERS. I think that stupidity plays a great part of it. I think a part of it is a desire to aggrandize the position, make it more important by taking authority over other people. We feel that we are all merely cogs in the wheel, trying to express foreign policy as we are directed. Occasions do arise, such as this, in which 1 section or 1 man wants to dominate the others for his own personal reasons.

The CHAIRMAN. In your memorandum, you made the statement that instead of wasting our money on pap, it perhaps should be used for bullets. Could you give us an example of the type of pap that you refer to?

Mr. AYERS. I can tell you about the Eye of the Eagle. Here we have a scientist who has a helicopter that can go with the speed of a jet, and an atomic eye that can see through buildings and locate whatever paper there may be on a desk in an inner office. It stretches the imagination quite a bit to feel that this would be believed as a device for an entertainment show. We have many juveniles on the radio here in the States—Superman, for example—that do the same story. It is Superman put on for overseas consumption.

The CHAIRMAN. In other words, your entire budget was spent on a sort of Superman thriller?

Mr. AYERS. Yes; a definitely juvenile program.

The CHAIRMAN. Now, Mr. Ayres, we asked you this in executive session, and I know it is sometimes unpleasant to discuss your co-workers, but will you tell us whether you think the individuals responsible for the type of material put out were loyal to America and want to give the truth about this country to the rest of the world, or what type of individuals do you feel they are?

Mr. AYERS. I do not think they saw the truth about the country as we did in the Latin American Division. I do not believe that I can say that these people were subversives, because I have no proof of that, but I do feel that there are many ways of gaging what you think is the truth about a country. There was at one time what they called the full and fair picture of the United States, in which they would quote articles attacking us, as well as those that sustained our point of view, and felt that that made credible output for our audience. We felt on the other hand that we were in the information business, which is propaganda; that we should sustain our national point of view and not express other points of view that might attack us. Between those two, there is an area of perhaps fuzzy thinking where

a man may feel that his point, his attitudes are the way to tell the story of the United States. I do not think that belongs in an information program, and I think that is what existed here.

Senator JACKSON. Might I ask a question at that point, Mr. Chairman?

Mr. Ayres, if you are talking to an intelligent audience, would we not be making greater and more effective headway if we tried to be objective about ourselves? In other words, the Russians constantly announce on their programs that they are not only the best people on earth, but they have discovered everything from the beginning of mankind and they have predated Marx-Leninist doctrine to be retro-active. I suppose if the Christian religion will serve their purpose, they will claim Christ in the name of Lenin and Marx.

Now, their programs after a while became ridiculous, and I am wondering whether in fact there appears in some of our programs things that are critical of us, and at the same time laudatory of us, if that in itself necessarily, is bad propaganda? I do not like to use the word "propaganda," because it has a connotation of something false. I mean in the eyes of the average citizen, when you say, "This is so much propaganda," I think there is a general impression that we are trying to put over a line.

Did you get my question, Mr. Ayres?

Mr. AYRES. Yes, I think I did, and I will try to answer it in this way.

First of all, about the word "propaganda," in our area, Latin America, propaganda is the term used for advertising, so it does not have the possibly ugly connotation that we may feel it would have domestically, and I think possibly we feel that it does because we are rather self-effacing often, and we do not boast so much about our achievements as sometimes we have been criticized for.

Now, we can, of course, bring up criticism of ourselves. We feel in general the full stories are imported to our areas by the news wire services, and the editors there can choose what part of the story they want and how they want to play it.

Senator JACKSON. You mean the papers in South America?

Mr. AYERS. Yes. In fact, in all parts of the world, except behind the Iron Curtain. Everyone knows who listens to us that we are the Voice of America—in other words, the radio branch of the United States Government. They also know that when they have a press release from our embassies, that it bears the official stamp, it comes from the embassies, and they expect it to reflect our national point of view. It is not surprising to them if it sustains our own national interest.

Senator JACKSON. I agree with you, but what I am getting at is this: The world knows that the Russians in giving out their propaganda give out a completely one-sided picture. I am wondering if we should not be a bit cautious in not following the same method that they use?

Mr. AYERS. We are very cautious about that, sir.

Senator JACKSON. Do you see what I mean?

Mr. AYERS. Indeed I do.

Senator JACKSON. If we paint a completely rosy picture of everything perfect in America, it sounds a bit like something coming out of Moscow. I mean everything they send out is nothing but the best, and it is so preposterous that thinking people do not believe it. Sure, there are certain people that are credulous enough to believe some of those things.

Mr. AYERS. And furthermore, subsequent events prove that their contentions are not true. However, over the years of broadcasting news and information, we have always emphasized truth in output. We do not color stories. We do not change the facts. We give a true story.

Senator JACKSON. I understand that, but let us get down to specifics. Would it not be a good idea, for instance, to say that we have not eliminated the problem of discrimination in the United States, that we do have it, but that we are making a bold and determined effort to eliminate it, and that actually minorities are better treated in the United States than any other country?

Mr. AYERS. We do tell that story.

Senator JACKSON. You do not say that it does not exist.

Mr. AYERS. We do not.

Senator JACKSON. I think it good to be critical in that sense. I do not mean criticism that is obviously slanted the other way. But I am not so sure that information that is given all in one tone is necessarily effective information.

Mr. AYERS. We do not try to hide our blemishes or faults. We have told the story of racial minorities in the States, and we have shown how progress has been made.

Senator JACKSON. And that is particularly effective in South America?

Mr. AYERS. It may be effective, and it may not.

Senator JACKSON. I recognize that a color problem exists in South America.

Mr. AYERS. Yes.

Senator JACKSON. I say there is a real color problem in South America.

Mr. AYERS. But it varies from place to place.

Senator JACKSON. That is right. But I mean almost in every country you have a definite color problem. The biggest country in South America is Brazil. I do not think we need to elaborate or say that there is not a color problem.

Let me ask you another question. Do you feel that there is some sort of conspiracy in the Department to either make the news broadcasts or the information that is being disseminated slanted in such a way that it is ineffective, or that it does not do the job? Is that the general idea that exists in your mind?

Mr. AYERS. I can speak with authority only about the area in which I work.

Senator JACKSON. I meant your Division.

Mr. AYERS. No, there is no such conspiracy in our Division. We know that our writers are loyal Americans and they do their best to tell the story as truthfully and as far in the national interest as they can.

Senator JACKSON. Are the people above them that pass on your material the Overseas Service?

Mr. AYERS. There are various elements in the Voice. Fortunately, if the news that comes from our central news room might appear not to give the story as we have found it in the other wire services, we are allowed to use our own judgment in editing that news and in portraying it as we know the story has been.

Senator JACKSON. I am trying to pinpoint the people who are interfering with what you think—or if that is not the proper word, you state it in your own words—that are interfering with these programs, that you feel are not being carried out.

Mr. AYERS. There have been times when the source of our news has not been as we felt it should have been. It has not reported the story fully. There have been certain omissions.

Senator JACKSON. There is a difference between a conspiracy and ineptness and incompetence or failure to understand information objectives. I am just trying to find out whether you feel there is a premeditated and designed attempt.

Mr. AYERS. I have felt that personally on the part of various people. I do not know how well organized it has been within the Voice. But there have been instances where output has been misdirected.

Senator JACKSON. Will you submit those names to the committee? I do not think it probably ought to be done in open session.

Mr. COHN. I think the witness has submitted certain names to the committee, Senator.

Senator JACKSON. In executive session?

Mr. COHN. Yes.

The CHAIRMAN. This witness has submitted names of individuals who he does not consider good loyal Americans, at least not the type of loyal Americans that should be running the information program, and we did not think those names should be submitted in the public session, until we had a chance to run a check on them and get further information.

Senator JACKSON. That is all.

Senator McCLELLAN. Mr. Chairman, without identifying persons coming within the category you have referred to, I do think the public record should show clearly who had the responsibility for this program, and who made the decisions that resulted in the waste of this money. We gave to the Secretary of State in a reorganization plan, I think in 1952, very broad powers to reorganize the Department, clearly defining lines of authority in conformity with the Hoover Commission recommendation, so that when something developed such as this, someone could be held responsible. I should like for you to name your superiors in line of authority, and identify them, so that we can determine who was responsible, who made the final decisions, so that we can develop that, expose it, and then call those parties in here to account and see whether they can explain it.

Mr. COHN. That is with reference to the Overseas Service Branch, Senator McClellan.

Mr. AYERS. The person in charge was Robert Bauer.

The CHAIRMAN. I do not think you understood Senator McClellan's question. He wants the line of authority, starting with you yourself on up.

Mr. AYERS. My chief is Stephen Baldanza, Chief of the Latin American Division.

The CHAIRMAN. How do you spell it?

Mr. AYERS. B-a-l-d-a-n-z-a.

Senator McCLELLAN. Did he make the decisions over you with respect to this situation that you have testified about, or did he agree with your position?

Mr. AYERS. Yes; he agreed with my position. He was greatly disturbed by the whole series, and did not want it from the start.

Senator McCLELLAN. So he is not responsible; he agreed with you.

Mr. AYERS. Yes.

Senator McCLELLAN. Let us go to the next position of authority.

Mr. AYERS. Above Mr. Baldanza is Mr. Puhan, who was Chief of the Program Division at that time and is now program manager.

Senator McCLELLAN. He is now program manager?

Mr. AYERS. Yes.

Senator McCLELLAN. What was his position? Did he support your view or did he support the position that was actually carried out in the program?

Mr. AYERS. Well, sir, we did not bring specific scripts to his attention, because that was done on our level where we did the work of programing. So I doubt if he ever knew very much about our arguments over the content of it. We carried that out ourselves, and tried to straighten the matter out. We went to him because we felt Overseas was usurping our authority. They had produced another series which we did not want.

Senator McCLELLAN. Did he agree with you or disagree with you?

Mr. AYERS. He agreed with us.

Senator McCLELLAN. All right; let us go to the next one.

Mr. AYERS. He is the direct chief of Mr. Bauer of the Overseas Services Branch, and the decision would not have gone any further than Mr. Puhan. He made the directive at that time that Overseas Services should get together with us and should not produce anything without our approval. So he directed them to cooperate with us.

Senator McCLELLAN. Did they cooperate?

Mr. AYERS. No; they did not.

Senator McCLELLAN. Who is responsible for their not cooperating?

Mr. AYERS. The chief of their division is responsible for that.

Senator McCLELLAN. Who is he?

Mr. AYERS. Mr. Bauer. In that a chief is responsible for what happens through his subordinates.

Senator McCLELLAN. Who is over Mr. Bauer?

Mr. AYERS. We go back to Mr. Puhan again, who is his chief. Mr. Bauer is on a level with Mr. Baldanza.

Senator McCLELLAN. I am trying to place the responsibility. Who had the final responsibility, Puhan or Bauer?

Mr. AYERS. Bauer had it under Puhan's directive to cooperate with us.

Senator McCLELLAN. He failed to cooperate?

Mr. AYERS. Yes, sir.

Senator McCLELLAN. Where is he now?

Mr. AYERS. He is still in New York as Chief of the Field Services Division.

Senator McCLELLAN. Has he been promoted?

Mr. AYERS. Yes, sir.

Senator McCLELLAN. Have you been promoted?

Mr. AYERS. My promotion is in an acting status.

Senator McCLELLAN. An acting status

Mr. AYERS. It is subject to confirmation.

Senator JACKSON. Is that subject to committee action?

Senator McCLELLAN. I do not know. If this committee is going to use all this time and effort to investigate, I think somewhere down the line we should get some results and people who are responsible for the mismanagement of Government affairs and these programs ought to be called to account.

The CHAIRMAN. May I say, Mr. McClellan, that the committee already has gotten results insofar as Baker East and Baker West are concerned, and if the action which Dr. Compton suggested yesterday is followed through, it will save \$18,000,000. That is not bad for the first week.

Senator McCLELLAN. No, I think we can do a little more now. That is what I am trying to do. What I am trying to determine is whether, in the case of your superiors in the course of the line of authority, there was any evidence to you of any conscientious purpose to provide or use scripts calculated to offset Communist propaganda, that was detrimental to the United States?

Mr. AYERS. May I ask by that do you mean did someone who was my superior support the scripts that were counter to our interest or refuse scripts that would have been in our interests?

Senator McCLELLAN. Both.

Mr. AYERS. No, sir, I would say nobody above me did that. Our trouble was a unit or office on our own level.

Senator McCLELLAN. Did anybody above you undertake to correct that when you called it to his attention?

Mr. AYERS. When we called it to Mr. Puhan's attention he did direct that they cooperate with us.

Senator McCLELLAN. Was that direction carried out?

Mr. AYERS. I personally do not think so, though I am sure that there are memos supporting cooperation.

The CHAIRMAN. May I interrupt, please? The picture I have gotten from you, and other witnesses, so far, Mr. Ayers, is that it is almost impossible to find where the authority lodges. You have complete administrative and budgetary confusion. Is that a correct description?

Mr. AYERS. Yes, it is, sir, because no final authority was given in the order setting up Overseas Services. They were told to cooperate with us, and to produce on our approval; yet they could originate material, and they were in a position to assert authority not outlined for them.

The CHAIRMAN. The final result in your desk was that you spent at the rate of 14 to 1, 14 for entertainment programs, juvenile programs, to 1 for good material exposing the Communist movement, is that right?

Mr. AYERS. The one in this case was merely for anniversary programs, that is to say, Washington's Birthday, Thanksgiving, and so forth, that are not what we would call hard-hitting anti-Communist programs.

The CHAIRMAN. The other day you gave us an estimate of \$50,000 spent on this entertainment program.

Mr. AYERS. Fifty to sixty thousand dollars; yes, sir.

The CHAIRMAN. Would you compare the cost of one of these so-called Superman programs with the program which your Department

could produce, a program which you thought would be of some benefit?

Mr. AYERS. Yes, sir. There it cost Overseas approximately \$1,100 to do a program because they have no facilities for production, no writers or studios of their own. They go out and make contracts for it. Whereas it costs us in the neighborhood of \$180 to perhaps \$250 or \$275 to produce the same half-hour program, because we are set up to be producers. We have directors, we have writers, and we have people who have good voices.

The CHAIRMAN. And you say it cost how much for the program they produce?

Mr. AYERS. \$1,100.

The CHAIRMAN. So it is about 6 to 1?

Mr. AYERS. Yes.

The CHAIRMAN. I am going to ask Mr. Ayers to step down for the time being. We may want to call him later.

Counsel, do you have documents which you wish to put in the record?

Mr. COHN. Yes, Mr. Chairman. This is an exhibit received in evidence by the committee in executive session in New York under date of February 3, 1953, and it comes from the Department of State in Washington. It is entitled "Information Policy for Use of Materials Produced by Controversial Persons." It is signed by Bradley Connors, Assistant Administrator for Policy and Plans of the United States Department of State. This memorandum, Mr. Chairman, was received by the Voice of America as an instruction concerning the use of materials by certain controversial persons. In the course of the memorandum, the Voice of America and other parts of the United States Information Service and programs are given discretion to use the works of an author known as Howard Fast.

The CHAIRMAN. Will you read that paragraph?

Mr. COHN. Yes. It says:

Similarly, if—like Howard Fast—he is known as a Soviet-endorsed author, materials favorable to the United States in some of his works may thereby be given a special credibility among selected key audiences.

The memorandum then goes on to give—

The CHAIRMAN. The entire memorandum will be inserted in the record at this time.

(The document referred to was marked "Exhibit No. 4" and will be found in the appendix on p. 144.)

The CHAIRMAN. I should note for the record when this was called to Mr. Dulles' attention at the executive sessions which we had in New York, the new Secretary of State Dulles canceled this memorandum and ordered that it not be followed.

Is Mr. Howard Fast in the room? Mr. Fast, will you step forward? Will you identify the gentleman with you?

Mr. FAST. My attorney, Mr. Benedict Wolf.

The CHAIRMAN. Your lawyer, Mr. Benedict Wolf.

Mr. FAST. Yes.

The CHAIRMAN. Mr. Fast, you have already been sworn. You are merely reminded that the oath is still in effect. Counsel may proceed.

**TESTIMONY OF HOWARD FAST, ACCOMPANIED BY BENEDICT WOLF,
ATTORNEY AT LAW**

Mr. COHN. Are you Howard Fast, the author?

Mr. FAST. I am.

Mr. COHN. Mr. Fast, are you now a member of the Communist Party?

Mr. FAST. I will refuse to answer that question, basing my refusal to answer on the rights granted to me by the first amendment to the Constitution, and by the fifth amendment to the Constitution, which guarantees my right against self-incrimination.

The CHAIRMAN. The witness is entitled to refuse if he feels that his answer might incriminate him

Mr. COHN. Mr. Fast, have you ever been a member of the Communist Party?

Mr. FAST. I refuse to answer that question on the same ground I stated before.

Mr. COHN. Are you the author of certain books that have been published?

Mr. FAST. You will have to make your question more specific, I am afraid.

Mr. COHN. Have you ever written a book that has been published?

Mr. FAST. I have.

Mr. COHN. Is Citizen Tom Paine one of your works?

Mr. FAST. It is.

Mr. COHN. Were you a member of the Communist Party when you wrote Citizen Tom Paine?

Mr. FAST. I refuse to answer that question for the same reasons I gave before.

Mr. COHN. Were you a member of the Communist Party at the time you wrote any of the books under your authorship which have been published?

Mr. FAST. I refuse to answer that question for the same reason I gave before.

The CHAIRMAN. Mr. Fast, when you appeared before the committee in New York you told us that the Army services had reprinted a sizable number of your books, and also the State Department, I believe Mrs. Eleanor Roosevelt worked in the reproduction of one. At that time we ordered you to present to the committee all of your accounts showing any moneys received from any grants of the Government, or any bureau that was semigovernment. Do you have those books with you today?

Mr. FAST. I have with me all of the records on that subject which were in my possession.

The CHAIRMAN. Can you tell us at this time how much money you have received directly or indirectly from any Government agency or any quasi-Government agency?

Mr. FAST. I can tell you approximately, and I shall also have to correct my statement in New York City, which, as you recall, was—

The CHAIRMAN. Will you speak a little louder, Mr. Fast?

Mr. FAST. I shall have to correct my former statement which was a statement based on the recollection of what had taken place 10 years before.

The money I received from the Government would be about the following amounts: Some three thousand and a few odd dollars, three thousand ten or twenty or thirty, a few dollars over \$3,000, as wages from the Office of War Information. I have a record of \$100 from the Office of War Information for the purchase of rights to publish Citizen Tom Paine in a number of languages. Do you want me to specify the languages?

The CHAIRMAN. What was the date of your employment with OWI?

Mr. FAST. There, too, I shall have to revise my previous statement, which was based on a recollection of many years before. The date I now have is that I commenced employment on the 16th of December 1942, or at least it says that is the date that my appointment to the Office of War Information became effective, and I was officially separated in January of 1944, but I went off salary and off active work toward the end of 1943. The exact date when I ceased to receive salary in 1943 I couldn't find, but I am sure that date exists in the records of the Office of War Information. I don't have it in my records.

The CHAIRMAN. You received a total of \$3,000 from OWI?

Mr. FAST. In wages, a little over that.

The CHAIRMAN. I do not quite follow that. You were on from December 16, 1942 to January 1944. That is a period of over 2 years. That would give you a salary of only about \$1,500 a year.

Mr. FAST. No, not a period of over 2 years, Senator.

The CHAIRMAN. December 16, 1952, I beg your pardon.

Mr. FAST. It is a little over 1 year.

The CHAIRMAN. What other moneys did you receive from the Government?

Mr. FAST. I want to explain why I did not receive the full amount—you see, according to this document I was hired by the Office of War Information at the wages of \$4,600 per annum, but I did not put in a full year of employment with them. I went off wages before I was officially separated.

Senator JACKSON. Why did you leave OWI?

Mr. FAST. Because the particular work I was doing there had been completed.

Senator JACKSON. Did you quit?

Mr. FAST. I resigned.

The CHAIRMAN. Did you know any other members of the Communist Party working in OWI at the time you were working in OWI?

Mr. FAST. I will refuse to answer that question for the same reason given before.

Senator DIRKSEN. Mr. Chairman, may I ask at that point?

The CHAIRMAN. Certainly. In other words, you refuse to answer that question on the grounds of self-incrimination?

Mr. FAST. Correct.

The CHAIRMAN. You have a right to.

Senator DIRKSEN. Mr. Fast, who was Director of OWI when you were employed, do you recall?

Mr. FAST. I really don't recall. You mean the top director?

Senator DIRKSEN. Yes.

Mr. FAST. The National Director—

Senator DIRKSEN. Was Mr. Davis the Director?

Mr. FAST. I was going to say, Mr. Elmer Davis, but I wouldn't be absolutely certain.

Senator JACKSON. Was Palmer White Deputy Director at that time.

Mr. FAST. The name sounds familiar—

Senator JACKSON. Or Acting Director at one time?

Mr. FAST. But I couldn't say now.

The CHAIRMAN. Mr. Fast, do you know anyone in the Voice of America as of today who is a member of the Communist Party?

Mr. FAST. I refuse to answer that question, too, on the same grounds I stated before.

The CHAIRMAN. The same grounds; again you mean the grounds that if you answered it might incriminate you?

Mr. FAST. Yes, the fifth amendment's guaranty against self-incrimination.

The CHAIRMAN. Do you have any friends in the State Department as of today who are members of the Communist Party?

Mr. FAST. I would refuse to answer that question, too, on the same grounds.

The CHAIRMAN. The answer is on the grounds of self-incrimination?

Mr. FAST. Correct.

The CHAIRMAN. I believe you told us that the Army services printed a sizable number of your books. Will you tell us now whether you were a member of the Communist Party at the time you wrote those books which the Army reprinted?

Mr. FAST. I will refuse to answer that question on the same grounds as stated before.

The CHAIRMAN. On the grounds of self-incrimination?

Mr. FAST. Yes.

The CHAIRMAN. I believe you told us also that the State Department translated your books into a sizable number of languages, and had them reprinted. Will you tell us now whether you were a member of the Communist Party at the time you wrote the books which the State Department finally translated and distributed?

Mr. FAST. I am going to refuse to answer that question on the same grounds as before, but I want to correct again—

The CHAIRMAN. I think the record should show clearly each time, Mr. Fast, when you refuse—

Mr. FAST. On the grounds of the fifth amendment and my guaranty against self-incrimination.

Here, if I may, Senator, I would like to correct my testimony in the New York session. I believe I stated that Citizen Tom Paine was contracted for by the State Department. If I did, if that was my testimony, it was incorrect, as this document shows that the contract was made by the Office of War Information, and not by the State Department. Your use of the term Army edition—I don't recall your exact usage for my other books—

The CHAIRMAN. I think you described it in New York as having been put out by Army Services.

Mr. FAST. I will correct that. I believe the title was the "Edition for the Armed Services"—"Editions for the Armed Services." That was an organization set up by New York City publishers through the Council of Books in Wartime, and not a Government organization, but a private organization.

The CHAIRMAN. Mr. Symington.

Senator SYMINGTON. As I understand, you refuse to answer whether you are now a member of the Communist Party; is that right?

Mr. FAST. That is correct.

Senator SYMINGTON. If you are a member of the Communist Party, sincerely, why are you not proud of it, instead of being ashamed of it? (Witness consults his counsel.)

Senator SYMINGTON. I did not ask your lawyer; I asked you.

Mr. FAST. I will refuse to answer you for the same grounds, basing my refusal on the fifth amendment and its right against self-incrimination.

The CHAIRMAN. You refuse to answer whether you are ashamed or proud of being a member of the Communist Party on the ground that if you answer it might incriminate you?

Mr. FAST. That is correct.

Senator POTTER. Were you a member of the Communist Party when you were employed by the Government in OWI?

Mr. FAST. I refuse to answer that question, basing myself on the fifth amendment and the guaranty on self-incrimination which it gives me. In refusing to answer this question—I am sorry, I don't know your name. Are you a Senator?

Senator POTTER. Yes. I work for the Government.

The CHAIRMAN. Senator Potter.

Mr. FAST. I am sorry. In invoking the fifth amendment and its privileges to refuse to answer your question, I would just like to make these observations about the origin of this privilege and its incorporation in the fifth amendment.

The CHAIRMAN. The committee will not receive a lecture from the witness.

Mr. FAST. I would appreciate the privilege. This is not in the form of a lecture, sir. I invoke the privilege—

The CHAIRMAN. We are not asking you for an explanation of the Constitution of the United States. We are granting you the right to refuse to answer any question which you think might incriminate you.

Mr. FAST. Don't you think basing myself on the Constitution obligates me to say a word or two about the origins of this? I am a student of American history and have been for many years.

The CHAIRMAN. Mr. Fast, you are ordered to answer the questions only. We are not going to take a lecture from a man who refuses to state whether he is a member of the Communist Party at this moment. We are not going to have a lecture from him on the Constitution of the United States. We do not think we need it. You will answer the question.

Senator POTTER. Mr. Fast, during that period of time in American history there were many other people working for the Government whose loyalty had to be above reproach, in a much more hazardous position that you served in, and whose loyalty today they are willing to demonstrate by saying that they are not dedicated to carrying out

Mr. FAST. Don't you think basing myself on the Constitution on our own foreign policy and our own way of life.

Senator MUNDT. Mr. Chairman, I have a question I would like to ask. You mentioned that from the OWI you had received substantially \$3,000 in fees and salary. Since your separation from the OWI

have you received any money from the Federal Government in any way for any services or any writings?

Mr. FAST. Yes.

Senator MUNDT. Will you recapitulate that financial transaction?

Mr. FAST. To the best of my recollection insofar as my records cover it, I received \$100 from the Office of War Information, subsequent to my separation, for the rights in Citizen Tom Paine, which I mentioned before, and I was also engaged in the spring of 1944 on a special project for the Signal Corps Photographic Center, the making of a film on the American Tradition.

Senator MUNDT. Would that be in Washington, New York, or where?

Mr. FAST. In New York City. While I worked on this project I received wages of \$12.50 a day. To the best of my recollection—I do not have a record of the length of my service—but to the best of my recollection it was between 4 and 6 weeks.

Now, insofar as I can determine, this is the only money I have received from the Government since my separation from the Office of War Information.

Senator MUNDT. Have any books or publications on which you have royalty rights been used by the Government since 1944 in any way as far as you know?

Mr. FAST. As far as I know, I cannot recall any such use.

Senator MUNDT. You do not know whether they ever purchased any of your books for use in our information libraries overseas?

Mr. FAST. I presume that they have since my books are widely read, but I have no specific information.

The CHAIRMAN. You presume the Voice has purchased some of your books, but you do not know.

Mr. FAST. No; I didn't say that. When Congressman Mundt—Senator Mundt, I am sorry—said institutions I thought he meant libraries and things of that sort. I have no knowledge of any purchase of my work by the Voice of America.

The CHAIRMAN. Do you know whether the International Information Administration has purchased any of your books?

Mr. FAST. No, sir; I do not.

The CHAIRMAN. You do not know. It might be a good idea if our staff would get a list of all books purchased by the information program.

Senator MUNDT. Mr. Fast, I would like to read a statement from this memorandum and ask you a question or two about it. The memorandum is dated February 3, and signed by Mr. W. Bradley Connors, of the State Department, and talks about controversial authors. Then he says, and I quote:

If—like Howard Fast—he is known as a Soviet-endorsed author, materials favorable to the United States in some of his works may thereby be given a special credibility among selected key audiences.

Are you in fact known as a Soviet-endorsed author?

Mr. FAST. I don't know what I am known as.

Senator MUNDT. Have any of your works been endorsed by Soviet critics or authorities?

Mr. FAST. You will have to spell out your question. I don't know what such endorsement means, or what you mean.

Senator MUNDT. Have they been commented upon favorably?

Senator JACKSON. Have they had favorable book reviews?

Mr. FAST. By Soviet critics? Indeed, yes.

Senator JACKSON. In the Literary Gazette?

Mr. FAST. I don't know specifically. I know they have had favorable book reviews in Russian articles.

Senator JACKSON. In Pravda and other Russian papers?

Mr. FAST. I presume so.

Senator MUNDT. So you find no particular fault with that statement of Mr. Connors that you are known as a Soviet-endorsed author. You have no evidence to the contrary?

Mr. FAST. I don't understand what such a statement means. I was asked a question before about whether my books were reviewed favorably in the Soviet Union, and I answered that insofar as I knew they were, many of them were.

Senator MUNDT. You say you do not understand what it means. If you have no objection to the statement, I have no desire to pursue the question any further.

Senator McCLELLAN. Mr. Fast, are you sincere and conscientious in invoking the fifth amendment—

Mr. FAST. I am, sir.

Senator McCLELLAN. In refusing to answer these questions?

Mr. FAST. I am, sir.

Senator McCLELLAN. Do you conscientiously feel that if you did answer truthfully that it would incriminate you?

Mr. FAST. Yes, sir, and let me say that in feeling so and having this feeling, I can point again, and I must point, to the origin of the privilege among the Puritans in England in the 17th and 16th centuries.

Senator McCLELLAN. Mr. Chairman, I am not arguing with him. I am trying to ask you simple questions about your feelings and whether you are conscientious—

Mr. FAST. Sir, this is not a simple question. This is a question that goes to the depths of my conscience as an American.

Senator McCLELLAN. Here is one that is simple, if you want to argue about it. Do you believe in the overthrow of the United States Government by force and violence?

Mr. FAST. That question I will have to refuse to answer basing myself upon the privilege granted to me by the fifth amendment.

Senator McCLELLAN. I grant you that privilege, but I reserve my opinion.

The CHAIRMAN. Mr. Fast, were you ever called to a conference in the White House?

Mr. FAST. I didn't hear your question.

The CHAIRMAN. Were you ever called to a conference in the White House?

Mr. FAST. I was not.

The CHAIRMAN. Were you ever in the White House?

Mr. FAST. I was.

The CHAIRMAN. How many times?

Mr. FAST. Once, I believe. I am trying to recollect whether I was there as a sightseer before that. As far as I can recollect, once.

The CHAIRMAN. You are invited to the White House by whom?

Mr. FAST. By President Roosevelt and his wife.

The CHAIRMAN. Were you invited by both of them or by one?

Mr. FAST. The invitation I believe came from Franklin Delano Roosevelt and his wife, insofar as I can recollect.

The CHAIRMAN. Are you sure of that?

Mr. FAST. This was many years ago.

The CHAIRMAN. Are you sure of that?

Mr. FAST. I say insofar as I can recollect. I do not have the invitation in front of me.

The CHAIRMAN. The President himself did not attend that meeting, did he?

Mr. FAST. It was not a meeting. It was a luncheon and the President was there.

The CHAIRMAN. And Mrs. Roosevelt?

Mr. FAST. Mrs.—

The CHAIRMAN. Was Mrs. Roosevelt present?

Mr. FAST. Yes, Mr. and Mrs. Roosevelt were present.

The CHAIRMAN. Were there any other Communists present at that luncheon?

Mr. FAST. I will refuse to answer that question for the same grounds I stated before, invoking my privilege against self-incrimination as guaranteed by the fifth amendment to the Constitution.

The CHAIRMAN. You have a right to refuse to answer. Will you give us the names of the—first, roughly how many were at this luncheon?

Mr. FAST. In the first place I didn't count, and in the second place it was many years ago.

Senator JACKSON. What was the nature of the luncheon? What was it called for?

Mr. FAST. I don't know that it had any nature. It was a luncheon reception for a number of people.

The CHAIRMAN. Roughly how many?

Mr. FAST. I couldn't say. This was 9 years ago, and I simply couldn't say.

The CHAIRMAN. A visit to the White House in the life of a man who refuses to answer whether he wants to overthrow our Government by force and violence—

Mr. FAST. I think that is uncalled for.

The CHAIRMAN. Is not an everyday occurrence. Wait until I finish. I assume it was a rather important event in your life, and being rather important, you should have some idea as to roughly the number of people, whether it was 10 people, or 20 or 100 or 1,000.

Mr. FAST. I have always been very dubious about the people who comment with such accuracy on witness stands on what took place 10 or 15 years ago. I am not capable of such recollection. I have lived a full life, and events of 10 years ago are not very clear in my mind. I would not care, being under oath, to offer guesses any more than I have to. There were a number of people there. There were more than 10 people, I would say that. That is about as far as I would care to go.

The CHAIRMAN. Would you say there were less than 20 or would you know?

Mr. FAST. I couldn't say that, but I want to add, Senator—

The CHAIRMAN. In other words, you do not know whether there were more or less than 20?

MR. FAST. I wouldn't say there were less than 20. I want to say, if you have a right to make observations about my advocating the overthrow of the Government by force and violence, and my refusal to answer questions, you should give me the right to comment on the privilege against self-incrimination. What I say goes out of these halls, and I believe the people have the right to understand and to know what this privilege means, what it meant historically.

The CHAIRMAN. Mr. Fast, you can write a book on that, if you care to.

MR. FAST. Yes, and I think it would be profitable to read the books I have written.

The CHAIRMAN. Thank you.

MR. FAST. Profitable in terms of knowing what our country means and what its heritage is.

The CHAIRMAN. Thank you very much, Mr. Fast. Do I understand the total amount of money that you received either directly or indirectly from any Government agency or any quasi-Government agency amounted to less than \$4,000, is that correct?

MR. FAST. I would say in the neighborhood of \$4,000.

The CHAIRMAN. You were ordered to go over your books and give us the exact figure. Is there any reason why you cannot give us that figure right down to dollars and cents?

MR. FAST. I can give it to you fairly exactly, but there are holes in my records. These holes can be easily filled in by Government records. Here are my records in dollars and cents.

The CHAIRMAN. Just the total figure. I want the total figure.

MR. FAST. As far as the Office of War Information is concerned, and employment there, according to my records I commenced employment on December 16, 1942, at the salary of \$4,600 per annum. I would believe that this would indicate an earning of about \$150 in 1942.

The CHAIRMAN. Mr. Fast, I merely want you to give me the total amount of money which you have received from any Government agency or any quasi-Government agency. At this time I am not asking for a breakdown. You may submit your records to the staff. They will break it down for us.

MR. FAST. You may have the records.

The CHAIRMAN. Mr. Jackson, I think you had a question to ask after he answers my last question.

MR. FAST. I believe the total is under \$4,000.

The CHAIRMAN. Can you say for certain under oath that it is under \$5,000, giving you some latitude?

MR. FAST. You see, I don't trust my memory too much any more after the last session. I am saying under oath I believe it is under \$4,000. I think that is sufficient. I know these records exist and can be checked.

The CHAIRMAN. It is not sufficient for this committee. We have heard these statements from many witnesses. Can you say under oath it was less than \$10,000?

MR. FAST. Yes, yes.

The CHAIRMAN. Mr. Jackson.

Senator JACKSON. Mr. Fast, do you recall signing an oath at the time you were employed with the OWI to the effect that you were not a member of an organization that advocated the overthrow of the Government by force and violence, or words to that effect?

Mr. FAST. I am going to refuse to answer that question, invoking the rights granted to me of self-incrimination under the fifth amendment.

Senator JACKSON. I think you can state whether you actually signed an oath as required by law. That is a fact. That is not a question of self-incrimination.

Mr. FAST. I think the privilege holds in answer to that question.

The CHAIRMAN. I believe, Senator Jackson, that the witness would have the privilege to refuse to state that he signed such an affidavit, because such an affidavit could be the basis for criminal prosecution.

Senator JACKSON. You are aware of the fact that Congress on July 2, 1942, or rather the President, approved, I believe, a rider to an appropriation bill, now title V of the General Provisions of the Federal Statute, section 501, making it mandatory for every Federal employee, and I believe Members of Congress as well—everyone who received Federal funds from the Federal Government—to sign an affidavit attesting to the fact that they are not a member of such organization. Did you know that to be the law at that time?

Mr. FAST. I can't possibly say what I knew 11 years ago. How could I?

Senator JACKSON. Let me ask you this question: Did you know that Federal employees were required to sign an affidavit in connection with their employment as Federal employees in order to receive their pay?

Mr. FAST. You mean did I know this 11 years ago?

Senator JACKSON. I mean in connection with your employment.

Mr. FAST. I am under oath. How can I possibly say what I knew 11 years ago?

Senator JACKSON. If you do not know, say so. I am just asking you. It is not difficult to answer. If you do not remember, you do not know.

Mr. FAST. I certainly don't remember what I knew on this question 11 years ago.

Senator JACKSON. Do you know it now?

Mr. FAST. I have just heard you repeat it.

Senator JACKSON. Until then you did not know it?

Mr. FAST. Will you clarify your question? Do you mean do I know now that in 1942 this was the case? Did I know before you asked this question?

Senator JACKSON. I think the question is pretty clear. Is this the first time you have heard of this provision in the law that I just quoted to you?

Mr. FAST. I think I had heard something or other of such a provision.

Senator JACKSON. When did you first hear it?

Mr. FAST. I don't know. I don't recall.

Senator JACKSON. You do not recall. You did not go off the payroll of OWI because of this provision. As I understand it, you continued to do work, but not on the payroll. I believe that was your testimony earlier.

(Witness consults his counsel.)

Mr. FAST. When I went off the payroll, I did not continue to work at OWI.

Senator JACKSON. I had understood that you worked for OWI between December of 1942 when your appointment papers went through and January, was it, of 1944?

Mr. FAST. No.

Senator JACKSON. That employment was periodical and you earned, roughly, approximately \$3,000 during that time?

Mr. FAST. No. The money I mentioned were wages paid for a steady run of employment. A point came where I felt that the job I was doing there was finished. At that point I went off the payroll. I was not yet officially separated. I was a part of the staff without wages, insofar as I recollect.

Senator JACKSON. As I understand it, you went to work in December 1942. How long did you work continuously? Can you remember, roughly? I am not asking you specifically.

Mr. FAST. I don't have the records.

Senator JACKSON. But you earned \$3,000 worth?

Mr. FAST. I earned a little over \$3,000.

Senator JACKSON. And you were hired at the rate of—

Mr. FAST. \$4,600 per annum.

Senator JACKSON. I had understood you to say earlier that you worked from December of 1942 to January of 1944.

Mr. FAST. No; I am sorry you misunderstood.

Senator JACKSON. Making it just a little over a year.

Mr. FAST. According to these wages that I have records of here, I must have worked about 8 months out of the 12. Apparently I went off the payroll but continued to be associated with the organization.

Senator JACKSON. Why did you go off the payroll and continue to be associated with the organization? Was it because of this affidavit?

Mr. FAST. No; I can only say what I recollect at the time, and my recollection is that this was not infrequent, that a person would go off pay and he would later go back on pay, and that these were two separate questions. The question of separation from the organization and the question of ceasing to receive wages were separate questions. Even though a person ceased to receive wages, he remained a part of the organization.

Senator JACKSON. But your recollection is that you went off because your work terminated?

Mr. FAST. That is my recollection.

Senator JACKSON. And it had nothing to do with the affidavit that I referred to which is required by law for all Federal employees to swear to?

Mr. FAST. That is my recollection. I am trying to testify honestly to a thing which I recollect very vaguely.

Senator POTTER. Mr. Chairman, may I ask a couple of questions?

The CHAIRMAN. May I ask the Senators to cut their questioning as short as possible. We have another witness from New York that I would like to put on the stand.

Senator POTTER. Mr. Fast, how old were you at the time you were employed by OWI?

Mr. FAST. Twenty-eight, I believe.

Senator POTTER. What was your draft status?

Mr. FAST. I lacked sight in one eye, to all effects and purposes.

Senator POTTER. Were you classified as 4-F?

Mr. FAST. No; not then. I got a very low draft number, and to fill in the time between then and what I knew would be an early draft call, I went to work at the Office of War Information.

Senator POTTER. Did you have military service? Did you serve in the war?

Mr. FAST. Previous to that?

Senator POTTER. Did you serve in World War II?

Mr. FAST. No. I was rejected because of this eye condition, and subsequently I became a correspondent in the last year of the war.

Senator POTTER. You stated your classification was not 4-F.

Mr. FAST. It was 4-F. I said it was not 4-F at the time I went to work for OWI.

The CHAIRMAN. What was it at the time you went to work for OWI?

Mr. FAST. I had not yet gone for my medical examination.

Senator POTTER. Did you ever receive a deferment because of your work with OWI?

Mr. FAST. No; I did not.

Senator POTTER. Did you ask for a deferment?

Mr. FAST. I did not.

The CHAIRMAN. What is the name of the doctor that examined you, if you know?

Mr. FAST. I have no notion. He was a regular draft-board doctor.

Senator POTTER. I have just one more question, Mr. Chairman. We are now in a war, and many men are being drafted. If it should become your duty, your obligation, to serve in our fight against communism in Korea, would you serve?

Mr. FAST. I have dedicated my entire life to the service of my country.

Senator POTTER. Would you serve?

Mr. FAST. I would like to say—

Senator POTTER. That is a simple question.

Mr. FAST. I would serve my country in any capacity which could benefit or advance my country's welfare.

Senator POTTER. Are you saying—

Mr. FAST. Why is it that you people never ask will I serve in the struggle for peace, to prevent war, to bring justice and freedom here?

Senator POTTER. Mr. Fast—

Mr. FAST. Of course, I will serve in any capacity that could benefit my country, that could aid my country.

Senator POTTER. The question was very simple. Would you serve in the fight against communism in Korea?

Mr. FAST. You are asking me would I serve if I was called?

Senator POTTER. Answer "yes" or "no."

Mr. FAST. If I was called into the service of my country, the answer is "yes."

Senator POTTER. You have not answered the question.

The CHAIRMAN. Mr. Fast, you are ordered to answer that question unless you want to claim the privilege.

Mr. FAST. I would like the question to be clarified. What is the question?

Senator POTTER. If you were drafted to fight the Communists in North Korea, would you do so?

Mr. FAST. If I were drafted into the service of my country, I would do so. I would accept the service of my country if I were drafted. That answer is plain.

Senator POTTER. To fight communism in Korea?

Mr. FAST. Why don't you ask me what you mean, would I accept—

Senator POTTER. Why are you so nervous when we say fighting Communists?

Mr. FAST. I am not nervous; angry, but very calm. Don't tell me I am nervous.

Senator POTTER. If drafted, would you fight communism in Korea?

Mr. FAST. If you add the last part of that question, I shall have to refuse to answer and invoke my privilege against self-incrimination. If, however, you ask me whether I will accept service in my country's Army, I answer "Yes."

Senator POTTER. That is service in our country's Army and there are 130,000 casualties as a result of Communist bullets in Korea, and you refuse to answer whether you would serve in that capacity.

Mr. FAST. That is a highly loaded statement, sir.

Senator POTTER. It was loaded for 130,000, too, I will tell you that, Mr. Fast.

Senator McCLELLAN. Mr. Fast, may I ask you one other question? Under oath, now, you state you are perfectly willing to serve your country. Are you willing to serve your country now by telling the truth and answering the questions that have been asked you regarding your membership in and affiliation with the Communist Party? Are you willing to serve your country by telling the American people and this committee the truth?

Mr. FAST. I must refuse to answer that question basing my refusal on the privilege granted to me in the fifth amendment, and in line with your words, sir, I wish you would allow me to spell out that privilege and what it means and why I am invoking it.

Senator McCLELLAN. All Americans—

Mr. FAST. No, I don't think everyone in this room knows this. Very few people know this. Why don't you give me a chance to state this?

Senator McCLELLAN. Write a book. That seems to be what you want to do.

Mr. FAST. I shall and I have.

Senator McCLELLAN. Write another.

Mr. FAST. Indeed I shall.

Senator DIRKSEN. Mr. Chairman, I would like to address one question to Mr. Fast and I would like to address it also to Mr. Wolf, because it is procedural. I am quite mindful that Mr. Wolf is not the witness. But would there be any difference in your answers if there existed on the statute books a statute that assured you of immunity against prosecution for any answer that you might make?

Mr. WOLF. If you are asking it as a question—

The CHAIRMAN. Mr. Wolf.

Mr. FAST. He addressed the question to Mr. Wolf.

The CHAIRMAN. I beg your pardon.

Senator DIRKSEN. I did that, Mr. Chairman, because he is counsel for Mr. Fast and it is a procedural question.

The CHAIRMAN. I would like to put him under oath if he answers it. I was talking to Senator McClellan and did not hear. The rule has

been that the witness can consult with his lawyer at any time he cares to, and we would not hear the lawyer.

Mr. WOLF. My opinion is, of course, that if there is no danger of any incrimination, a person cannot claim the privilege against self-incrimination. Or in fact, I would go a little further and say if there is no danger of prosecution for a crime.

Senator DIRKSEN. Suppose the committee is pretty well agreed that there is a material question to which it needs an answer, and so that question is addressed to the witness. The witness may have rightly invoked the right he has under the fifth amendment. The committee might then be able to say under existing law we insist upon an answer, and you shall be assured immunity against prosecution if you do answer. Would the answer of the witness then be different than what it has been?

Mr. WOLF. In about 1856 there was an immunity statute with regard to congressional committees. Congress withdrew the immunity statute, knowing that the privilege could be invoked, because what they found was happening was that witnesses would seek to appear before committees, testify to many things, and thus gain immunity. So in the balance of public opinion they decided it would be better to maintain the privilege, rather than be able to compel testimony in certain instances.

Mr. FAST. Would you like me to answer that, too?

Senator DIRKSEN. Yes, I would.

Mr. FAST. I would not like to be interrupted until my answer is completed.

Senator DIRKSEN. I would rather not have an involved answer, because it does admit of answering yes or no. I will rephrase the question. If you were assured immunity against prosecution under an existing Federal statute in connection with any matter on which you might testify or any question that is addressed to you, would you answer then be different than it has been?

The CHAIRMAN. You can answer that yes or no.

Senator DIRKSEN. That is refusal to answer.

Mr. FAST. I would like to answer it, but I cannot give a "Yes" or "No" answer. Life is not that simple.

The CHAIRMAN. Are you saying you cannot answer "Yes" or "No"?

Mr. FAST. I would like to answer—

The CHAIRMAN. Can you answer that "Yes" or "No"?

Mr. FAST. I cannot see that I can give an honest answer to that "Yes" or "No."

Senator DIRKSEN. Is the question clear?

Mr. FAST. Yes, your question is clear, but your question is not a simple one.

Senator DIRKSEN. You say you cannot answer it "Yes" or "No"?

Mr. FAST. No, I would have to go into some of the circumstances surrounding your question—

The CHAIRMAN. If you cannot answer—

Mr. FAST. The question and the framework—

The CHAIRMAN. If you cannot answer it "Yes" or "No," then you will not answer. We are not going to use this committee as a transmission belt for the Communist Party.

Senator DIRKSEN. I was going to say for the moment, at least, I would not be interested in a historical dissertation on the fifth amendment.

The CHAIRMAN. This witness has been eager all morning to give a lecture to the general public. He will not give it in this committee room. He will merely answer the questions.

Senator MUNDT. Do you recall who was the Director of the OWI at the time you joined up?

Mr. FAST. I think we started with that question and the answer was Elmer Davis.

Senator MUNDT. Will you tell us how you became associated with that agency? Did you ask for the job?

Mr. FAST. I became associated through filling out an application for employment there.

Senator MUNDT. You sought the employment by filling out an application?

Mr. FAST. Yes, I went down to the offices of OWI. As I testified in New York City, I believe I knew 1 or 2 people there. It is hard for me to recollect their names.

Senator MUNDT. Had you known Elmer Davis before that?

Mr. FAST. No, I did not to the best of my recollection before that.

Senator MUNDT. Somebody further down?

Mr. FAST. Yes, and I filled in an application and was accepted.

Senator MUNDT. I would like to ask the same questions about your employment in the Signal Corps. That was in 1944, was it?

Mr. FAST. The officer at the head of the project came to me—he knew me by reputation only—and asked whether I would not become a part of this project.

Senator MUNDT. Can you provide us with his name?

The CHAIRMAN. I am not sure I got that answer. You said they knew you by reputation and based upon that they asked you to come in. Is that correct?

Mr. FAST. No, the question that Senator Mundt asked concerning the Senate—I am sorry, concerned the Signal Corps. How did I happen to come into that Signal Corps project.

Senator MUNDT. You said the officer knew you by reputation and asked you to do the job.

Mr. FAST. Yes.

Senator MUNDT. Can you provide us with the officer's name?

Mr. FAST. I couldn't recall his name.

Senator MUNDT. What was his position?

Mr. FAST. He was a senior officer, either a captain or major. I don't think he was a colonel.

Senator MUNDT. At what post? New York?

Mr. FAST. I couldn't say exactly after all this time.

Senator MUNDT. Did you work in New York?

Mr. FAST. Yes; I did.

Senator MUNDT. Was he in charge of the work, or did he have anything to do with the work?

Mr. FAST. He was in charge of this particular project.

Senator MUNDT. We can find it from the records.

Mr. FAST. Yes; I am sure you can.

Senator MUNDT. Did you have to provide recommendations at that time for the Signal Corps, or did he just take you and you went to work?

Mr. FAST. I don't think so. I believe he came to me by reputation through reading what I had written.

Senator MUNDT. Were you doing what is called classified work or secret work?

Mr. FAST. No; it was not secret. The project was to lay out a film which would spell out the best and the most precious democratic traditions of the United States of America, and his reading my books evidently led him to the conclusion that I was suited to this task.

Senator MUNDT. He felt that your particular interpretation was the kind he wanted to project, so he came to you.

Mr. FAST. You are asking me what he felt. I don't know what he felt. I can only guess why he came to me and this would be my guess.

Senator MUNDT. Mr. Chairman, I suggest that we have our investigators to find out the name and identity of that particular officer.

The CHAIRMAN. Very definitely so.

The committee will adjourn until 10:30 tomorrow morning.

Mr. Fast, you will remain under subpoena, subject to call. In view of the difficulty the staff has experienced in contacting you, you are instructed that if you are wanted, that your lawyer will be contacted, and therefore you will contact your lawyer from day to day to find out whether you are due to return to the committee.

We will adjourn until 10:30 tomorrow morning.

(Thereupon at 12 o'clock noon, the hearings were recessed, to reconvene Thursday, February 19, 1953, at 10:30 a. m.)

STATE DEPARTMENT INFORMATION PROGRAM—VOICE OF AMERICA

THURSDAY, FEBRUARY 19, 1953

UNITED STATES SENATE,
SENATE PERMANENT SUBCOMMITTEE ON INVESTIGATIONS
OF THE COMMITTEE ON GOVERNMENT OPERATIONS,
Washington, D. C.

The subcommittee met at 10:30 a. m., pursuant to Senate Resolution 40, agreed to January 30, 1953, in room 357 of the Senate Office Building, Senator Joseph R. McCarthy, chairman, presiding.

Present: Senator Joseph R. McCarthy, Republican, Wisconsin; Senator Karl E. Mundt, Republican, South Dakota; Senator Charles E. Potter, Republican, Michigan; Senator John L. McClellan, Democrat, Arkansas; and Senator Henry M. Jackson, Democrat, Washington.

Present also: Roy Cohn, chief counsel; Donald Surine, assistant counsel; David Schine, chief consultant; and Ruth Young Watt, chief clerk.

The CHAIRMAN. The committee will come to order.

I may say a number of Senators have informed me that they will be late because of other committee work they are on this morning, but will be here later.

Yesterday there was introduced into the record a memo dated February 3, 1953, which authorized the use of works by Howard Fast and other Soviet-approved writers in selected areas. For that reason the committee called Howard Fast, and, as the committee will recall, he refused to testify on three major points on the ground that if he told the truth, it might incriminate him. He refused to testify whether he was a member of the Communist Party at the time he wrote certain books that are being used by the Government. No. 2 he refused to testify as to whether or not he was a member of the Communist Party as of yesterday, when he appeared. No. 3, he refused to testify as to whether he believed in the destruction of this form of government by force and violence on the ground that if he told the truth it might incriminate him. And No. 4, he refused to testify in answer to Senator Potter's questions as to whether he would bear arms against the Communists in Korea, on the ground that if he answered that truthfully, it might incriminate him.

Thereafter, the staff checked further into the matter of directives concerning Howard Fast, and have informed me they discovered another memorandum that was issued, which named certain of Howard Fast's books which could be used by the Voice.

Will you describe, Mr. Schine, as to just what you found by contacting the New York office?

Mr. SCHINE. This is a Department of State memorandum, March 7, 1952, the purpose of which states:

In view of the controversial nature of the writings of Howard Fast, this circular is issued to provide criteria governing the use of his books in United States information centers.

Then it goes on to explain why they feel his books should be used, and list several of them which they recommended.

The CHAIRMAN. Would you read the list into the record, Mr. Schine? These are works by Howard Fast, who appeared yesterday and refused to tell whether he was a member of the Communist Party on the ground that if he answered, he would be incriminated, is that correct? It is the same Howard Fast?

Mr. SCHINE. That is the same Howard Fast.

The CHAIRMAN. Will you read the list of books?

Mr. SCHINE. The Last Frontier, Haym Solomon, Goethals and the Panama Canal, The Unvanquished, Citizen Tom Paine, Freedom Road, Patrick Henry and the Frigates Keel, The American, My Glorious Brothers.

The CHAIRMAN. I would like to have the staff call this to the attention of the new Secretary of State or his assistant, and I assume he will order those books removed from the information program libraries.

Do we have a representative of the State Department here this morning? If not, will the staff contact the proper person in the Voice and ask for a complete list of all books stocked in all of our libraries under the information program? I think the record should show, incidentally, that yesterday the Secretary of State accepted the resignation of the Administrator of the International Information Program. In view of the fact that this rather unusual order was issued by Mr. Bradley Connors, Assistant Administrator for Policy and Plans, the committee thought it might be well to run that down a little further, and find out why this particular order was issued, and find out something about Mr. Bradley Connors.

We asked Miss Nancy Lenkeith to come down from New York to testify this morning. In order to maintain the continuity of the testimony, we will ask you to wait until later and put on some testimony regarding Bradley Connors. In view of the fact that the testimony is of an uncomplimentary nature, Mr. Connors has been notified to be here, and he will be given a chance to answer testimony after it is given.

Who is the first witness, counsel?

Mr. COHN. Dr. Wu of the Library of Congress, Mr. Chairman.

The CHAIRMAN. Will you step up here, Dr. Wu? Will you raise your right hand?

In this matter now in hearing before the committee, do you solemnly swear to tell the truth, the whole truth, and nothing but the truth, so help you God?

Mr. WU. I do.

TESTIMONY OF KWANT TSING WU

Mr. COHN. What is your name, please?

Mr. WU. Kwant Tsing Wu.

Mr. COHN. And Dr. Wu, are you with the Library of Congress?

Mr. WU. Yes, I am.

Mr. COHN. Are you fully conversant with the Chinese language?

Mr. WU. I think so.

The CHAIRMAN. May I interrupt. Is Mr. Bradley Connors here? Mr. Connors, if you care to, you may step up here and sit at the desk. If you can hear back there, then you may stay where you are.

Mr. COHN. Mr. Chairman, before questioning Dr. Wu, I have reference to part 11 of the hearing on the Institute of Pacific Relations conducted by the Internal Security Subcommittee of the Judiciary Committee in March 1952. On page 3786 of those hearings, it is indicated that a document was under consideration. That document was a statement made by a Chinese named Li Peng.

The CHAIRMAN. This is described as a confession, is it not?

Mr. COHN. Yes, it is described as a confession of a Chinese Communist who had been captured by the Nationalist Government, and it was published under the auspices of the Chinese Government on September 3, 1950, in the Central Daily News appearing in Shanghai.

The CHAIRMAN. Was this Chinese Communist subsequently executed?

Mr. COHN. I believe he was, Mr. Chairman.

The CHAIRMAN. You are referring now to a document which purports to be the confession of a Chinese Communist, a confession which was introduced before the McCarran committee during the Institute hearings, is that correct?

Mr. COHN. That is correct. The document was received as exhibit No. 558 in evidence before the Senate Internal Security Subcommittee.

Mr. Chairman, I would like to read from pages 3788 and 3789 of the official record of the Internal Security subcommittee hearing, a translation of a short portion of that document.

The CHAIRMAN. Are you reading from the original document?

Mr. COHN. No, I am reading from a translation of the document. It reads as follows:

At the time [talking about the time of delicate negotiations between the United States Government and the Communist and Nationalist Governments of China wherein the Soviet intelligence was attempting to obtain secret information as to the progress of certain negotiations and the attitude of our country, speaking of that time, it is stated]—

The CHAIRMAN. I hope I do not have to tell the photographers that they will not take flash pictures while a witness is testifying. I know this man is not technically testifying, but he is on the witness stand. I do not want to appear unreasonable, but a number of witnesses have complained that this disconcerts them and makes it difficult for them to testify if they have flash bulbs flashing in their faces. So I wish you would watch that a little more closely.

Mr. COHN (reading):

At the time the person in charge of information and intelligence in the American Embassy, the Director General of the United States Information Service, John K. Fairbank, and his successor [and names some other people] were all persons who were fundamentally dissatisfied with the Nationalist Government. Their prejudices frequently superseded their duties to maintain secrecy relating to the nations concerned. Wittingly or unwittingly, they leaked out diplomatic secrets which were transmitted through the embassies of third countries into the ears of the Soviet intelligence personnel.

Now, Mr. Chairman, the name of the successor of John K. Fairbank, who was accused along with Fairbank in this document of

having wittingly or unwittingly leaked out diplomatic secrets into the ears of Soviet intelligence personnel was not placed in the record of the McCarran committee because that particular person was not the subject of investigation by the McCarran committee at that time, although Dr. Fairbank was. We have asked Dr. Wu to ascertain for us the name of the successor to Dr. Fairbank who was accused along with Dr. Fairbank in this confession of having gotten this information wittingly or unwittingly into the hands of the Soviet military intelligence. If I may, I will now ask Dr. Wu to give us that name.

The CHAIRMAN. Let me get his full name first.

Mr. WU. Kwant Tsing.

The CHAIRMAN. And the last name is Wu?

Mr. WU. Wu, W-u.

The CHAIRMAN. Proceed, Counsel.

Mr. COHN. Can you give us the name of the successor to Dr. Fairbank who in this document is accused of wittingly or unwittingly leaking out diplomatic secrets which were transmitted through the embassies of third countries into the ears of the Soviet intelligence personnel?

Mr. WU. In the original, which I translated, in the Central Daily News of September 3, 1950, at that time the American information officer of the United States Embassy was Fairbank. He was succeeded by Bradley Connors.

Mr. COHN. I have no further questions of Dr. Wu.

The CHAIRMAN. Dr. Wu, have you translated the entire confession?

Mr. WU. No, I don't believe I translated that.

The CHAIRMAN. Do we have the translation of the entire confession?

Mr. COHN. No, we have a translation of those portions which were relevant.

The CHAIRMAN. Will you translate the entire confession, Doctor, and supply that to the committee, and we will mark that as an exhibit, and make it part of the record, and the page of the IPR hearings which you referred to will be marked as an exhibit, and also made a part of the record.

(The documents referred to were marked "Exhibit No. 5" and "Exhibit No. 6." Exhibit No. 5 will be found in the appendix on p. 145. Exhibit No. 6 may be found in the files of the subcommittee.)

Senator JACKSON. Do I understand that Mr. Connors was named as a Communist in this confession? I am a little bit confused here. I understand that Dr. Fairbank was the public information officer at the American Embassy.

Mr. COHN. Senator Jackson, the situation in this confession is that the Chinese Communist is naming several persons who wittingly or unwittingly leaked diplomatic secrets which reached the ears of Soviet intelligence personnel, because these persons were fundamentally dissatisfied with the Nationalist Government.

The CHAIRMAN. In other words, he does not name Mr. Connors as a Communist in this document.

Mr. COHN. No, he states he was fundamentally dissatisfied with the Nationalist Government, and wittingly or unwittingly he was responsible for leaking out diplomatic secrets which were transmitted through the embassies of third countries.

Senator JACKSON. Does he say to whom he released the information?

Mr. COHN. Pardon me?

Senator JACKSON. Is there anything in his statement or confession which indicates the names of the persons to whom the information was given?

Mr. COHN. No, they do not specify the names of all the persons to whom information was given or any of the persons. They say that the information went through the embassies of third countries into the ears of Soviet intelligence personnel.

Senator JACKSON. And it involves secret information.

Mr. COHN. Yes, it involved secret information; there is no doubt about that.

The CHAIRMAN. May I suggest that when this entire confession has been translated a copy be given to each of the members of the committee, so that we may go over that? We may want to question you further on that, Doctor. How soon could you supply that? I know it is a rather lengthy document.

Mr. WU. About 3 days, I guess.

The CHAIRMAN. That will be all right. You may step down.

The next witness is John C. Caldwell. Will you stand up and raise your right hand.

In this matter now in hearing before the committee, do you solemnly swear to tell the truth, the whole truth, and nothing but the truth, so help you God?

Mr. CALDWELL. I do.

Senator MUNDT. Mr. Chairman, before this witness is heard, may I say that I was detained because I was talking to some of the people from the State Department, and they have some witnesses they would like to have testify and present their viewpoint on the engineering facilities and so forth, and I told them I was sure we would be happy to have them heard.

The CHAIRMAN. Yes, I will be happy to hear any witnesses from the State Department or Voice of America. I certainly want to get the complete picture. It is certainly a complicated picture.

Senator MUNDT. I told them we were simply looking for the facts and trying to save the most money for the taxpayers, and get down to the real source of the information.

The CHAIRMAN. Very well; the staff is now interviewing the witnesses suggested by the Voice and the additional witnesses suggested by the other officers in the State Department.

TESTIMONY OF JOHN C. CALDWELL

Mr. COHN. Give us your full name.

Mr. CALDWELL. John C. Caldwell.

Mr. COHN. Mr. Caldwell, were you ever associated with the United States Department of State?

Mr. CALDWELL. Yes, I was.

Mr. COHN. During what years were you with the Department of State?

Mr. CALDWELL. From 1945 to 1947, and from 1949 to 1950.

Mr. COHN. What position did you hold when you left the Department of State in 1950?

Mr. CALDWELL. I was Deputy Director of the United States Information Service in South Korea.

Mr. COHN. Mr. Caldwell, in 1945 and 1946, where were you stationed?

Mr. CALDWELL. I was stationed in Washington and in China.

Mr. COHN. When you were stationed in Washington, what was your position?

Mr. CALDWELL. I was Chief of the China Branch of the whole information program.

Mr. COHN. Was there a State Department officer in China who occupied a similar position?

Mr. CALDWELL. Yes. You might say he was my counterpart, the Acting Director of USIS in China.

Mr. COHN. Could you give us his name?

Mr. CALDWELL. His name was John K. Fairbank.

Mr. COHN. Mr. Chairman, should we have an identification of Mr. Fairbank at this time?

The CHAIRMAN. Yes.

Mr. COHN. I would like to read from page 629 of part 2 of the hearings on the Institute of Pacific Relations conducted by the Senate Internal Security Subcommittee, the testimony of Prof. Louis Francis Budenz of Fordham University.

On page 629, Mr. Robert Morris asked Mr. Budenz the following question:

Do you know that John Fairbank is a Communist?

Mr. BUDENZ. Yes, sir; not by personally meeting him but by official reports, particularly in 1945.

That is from page 629 of the Senate Internal Security Committee hearing.

Now, you say that in 1945—

The CHAIRMAN. May I interrupt. In view of the fact that Fairbank denied membership in the party, I believe his testimony before the McCarran committee should be marked as an exhibit, and be made part of the record.

Mr. COHN. This is in part 11. We will have it marked as an exhibit and made a part of the record in this case.

(The document referred to was marked "Exhibit No. 7" and may be found in the files of the subcommittee.)

The CHAIRMAN. I understood this witness' testimony was that he hired Mr. Connors under the direction of Mr. Fairbank.

Mr. COHN. We have not gotten to that. The testimony will be that the witness advised us that Professor Fairbank sought a promotion for Mr. Connors.

The CHAIRMAN. Proceed.

Mr. COHN. You say that Mr. Fairbank was your counterpart in China; is that right?

Mr. CALDWELL. Yes, sir.

Mr. COHN. Did there come a time when you heard the name or saw the name of Bradley Connors in writing from Professor Fairbank?

Mr. CALDWELL. Yes. As a matter of fact, I first heard Mr. Connors' name when he was still with the OWI. Beginning, I would say, early in 1946, Mr. Fairbank wrote the Department—and I believe possibly cabled also, but I cannot be certain of that—that Mr. Connors' work

was so outstanding that he highly recommended an increase in salary and in responsibilities.

Mr. COHN. That was Mr. Bradley Connors?

Mr. CALDWELL. Yes, sir; that is correct.

Mr. COHN. The same man we have been discussing here today?

Mr. CALDWELL. Yes, sir; that is correct.

Mr. COHN. By the way, do you see Mr. Connors in the room?

Mr. CALDWELL. Yes, sitting to my right—my left.

The CHAIRMAN. Have the record show this is the Bradley Connors who as of today is the Assistant Administrator for Policy and Plans.

Do I understand, Mr. Counsel, that his task actually was policy director insofar as the international information programs are concerned?

Mr. COHN. That is our information.

Now, after the time that Mr. Fairbank recommended this promotion for Connors, did you actually meet Connors?

Mr. CALDWELL. I went to China and the Philippines on a survey trip in February and March of 1946, and I am certain that was the first time I met Mr. Connors in the city of Shanghai, where he held the position of Director of Operations of the United States Information Service.

Mr. COHN. Did you have occasion to review any of Mr. Connors' work at that time?

Mr. CALDWELL. No, not much occasion to review the work; occasion to meet Mr. Connors, become acquainted with him, and talk with him.

Mr. COHN. Did you form any impression as to his capabilities?

Mr. CALDWELL. Yes. Frankly I was rather surprised after the glowing recommendations we had received, because I did not feel that Mr. Connors had the educational qualifications or general background or interest or knowledge of objectives he should have in that important position.

Mr. COHN. Did you bring these facts to the attention of Mr. Fairbank?

Mr. CALDWELL. Yes, I did.

Mr. COHN. What did he tell you?

Mr. CALDWELL. He told me it was a matter of my not knowing Mr. Connors long enough, and if I knew him long enough I would realize that he had very high qualifications and was obviously the man for the job.

Mr. COHN. Did there come a time when you did get to know Mr. Connors long enough?

Mr. CALDWELL. Later; yes, sir.

Mr. COHN. Did you work closely with him?

Mr. CALDWELL. For a period of approximately 9 months.

Mr. COHN. Where was that?

Mr. CALDWELL. That was in Shanghai and Nanking, China, from September of 1946 until approximately the middle or the 1st of May 1947.

Mr. COHN. Did you have occasion to discuss China policy in your official capacity and privately with Mr. Connors?

Mr. CALDWELL. Yes, considerable occasion. More occasion to discuss operations rather than policy. But policy was discussed at times.

Mr. COHN. Now, in the course of these discussions with Mr. Connors, was he ever critical of the Chinese Communist Government?

Mr. CALDWELL. I do not believe I ever heard Mr. Connors critical of the Chinese Communists.

Mr. COHN. Was he ever critical of the Chinese Nationalists, the government of Chiang Kai-shek?

Mr. CALDWELL. Yes, sir, he was extremely critical, as were most of the members of the embassy at that time, sometimes rather viciously so; also on a personal basis of the leaders of the Nationalist Government, and the things they did.

Mr. COHN. Did he ever draw any comparison in your presence between the intelligence and forcefulness of the leaders of the Communist movement and the intelligence and forcefulness of the leaders of the Nationalist movement?

Mr. CALDWELL. The only recollection I have is once Mr. Connors saying to me that the Chinese Communist leaders, particularly Gen. Chou En-lai, were men of such outstanding caliber and intelligence and so forth, and compared them a little unfavorably to their counterparts on the Nationalist side.

The CHAIRMAN. Identify Chou En-lai.

Mr. CALDWELL. He is at the present time the Foreign Minister of the Chinese Peoples Republic.

Mr. COHN. That is the Chinese Communist Government?

Mr. CALDWELL. Yes, sir.

Mr. COHN. Did Mr. Connors ever express an attitude toward the policies of Gen. Douglas MacArthur, commander of the Japanese occupation forces?

Mr. CALDWELL. Almost always those that were critical of Chiang were critical of what MacArthur did, and that was the case of Mr. Connors.

Mr. COHN. Did there ever come a time when Mr. Connors ever told you anything about any secret reports he was submitting to any of his superiors in the State Department?

Mr. CALDWELL. Yes, sir. Could I say something first that will make my answer more intelligible?

Mr. COHN. Certainly.

Mr. CALDWELL. I went out as Acting Director of the United States Information Service. Mr. Connors as Director of Operations was subordinate to me. Shortly after my arrival in China, Mr. Connors was put in a position where I was actually the subordinate. I was sent back to Shanghai. He stayed in Nanking, and he became more or less the chief censor of all of the operations of the United States Embassy, and he told me quite frankly that he made reports on individuals who he felt were not in line with what Mr. Butterworth felt should be done. He did not expand on what "in line" meant, but most of those he disliked happened to be persons who were rather pro-Chiang.

The CHAIRMAN. May I interrupt at this time? Mr. Cohn, in reading the confession of the Chinese Communist, I understand that the McCarran committee retained all names except the name of Fairbank in whom they have interest, and you have added only one name, the name of Connors.

Mr. COHN. That is correct.

The CHAIRMAN. Is there any reason why all of the men named by the Chinese Communist in his confession should not appear in the record at this time?

Mr. COHN. I can see no such reasons. The names are John Fairbank, Bradley Connors, and Ambassador Butterfield.

The CHAIRMAN. Just three names?

Mr. COHN. Those are the three names referred to in this section, Mr. Chairman.

The CHAIRMAN. Any other names of any other State Department officials referred to in any other section of the confession that you know?

Mr. COHN. No, sir, but I would ask this, Mr. Chairman, if we could review the entire confession and see if there are additional names which should be inserted in the record.

Was this the same Ambassador Butterfield—

Mr. CALDWELL. It is Butterworth. His correct title was Minister Counselor of the Embassy.

Mr. COHN. And his name is Butterworth?

Mr. CALDWELL. Yes, sir.

Mr. COHN. And this is the one you referred to just now?

Mr. CALDWELL. Yes, sir.

Mr. COHN. Did he share Mr. Connors' views of antagonism toward the Nationalist Government and MacArthur policies?

Mr. CALDWELL. Yes, he did. I think probably he was more careful in expressing those views than Mr. Connors was. But he certainly shared them.

The CHAIRMAN. Was there any doubt in your mind at the time you were in China that both Connors and Butterworth favored the Chinese Communists over the Nationalists?

Mr. CALDWELL. Yes, there was some doubt, because you have to have been there to understand the general hatred of Chiang on the part of most of our Embassy people; a very unreasoning hatred. It was not always, you might say, accompanied by praise of the Chinese Communists. In other words, it is very difficult to say that this individual was anti-Chiang but also pro-Communist.

The CHAIRMAN. In other words, some of these men could dislike and be critical of the Chiang government without necessarily liking the Communists.

Mr. CALDWELL. Yes, sir. There were times I was critical of certain things that were done, and there were many others or some others like that, I am sure.

The CHAIRMAN. How about these two individuals, Connors and Butterworth? How did they appear to feel toward the Chinese Communists?

Mr. CALDWELL. I honestly cannot say that I ever heard either of them praise the Chinese Communists. It was more the denunciation of the other side.

Mr. COHN. Now, did these secret reports that were submitted against people who were not in line with these views ever result in the dismissal of any persons from the Department of State?

Mr. CALDWELL. I believe it did. I believe also Mr. Connors' reporting activities certainly resulted in the control of individuals. By that I mean placing them in positions where they could no longer do independent reporting of facts. They had to channel what they

did through him. It was my understanding that many reports were changed, or at least covered by a dissenting report before they got to Washington.

Mr. COHN. Is it your testimony that as far as you know all of the secret reports were directed against people who were not in line with the anti-Nationalist views?

Mr. CALDWELL. I wouldn't say, sir, that all of them were against such persons, but I believe those most unpopular in the Embassy's staff were those unquestionably who were pro-Chiang and who were anti-Communist.

The CHAIRMAN. Mr. Caldwell, do I understand your testimony to be, No. 1, that John K. Fairbanks, who has been named a Communist under oath and has also been named in this Chinese confession, was a man who contacted you and favored a promotion for Mr. Bradley Connors, who is now directing the policy and information program; that while you were in China you found that Bradley Connors and Butterworth, both of whom were named in this confession, were active in trying to bring into line anyone who was anti-Communist and pro-Chiang Kai-shek?

Mr. CALDWELL. Yes, sir, to the best of my knowledge that is the situation that existed. I might say that there was a rationalization of it. The idea was that everybody had to be completely controlled so that the Communists would not be offended by anything that was done. That seemed to be the basic idea behind the actions.

The CHAIRMAN. Senator Mundt, any questions?

Senator MUNDT. Just one. Do you know of your own personal knowledge of any reports which were changed by Connors en route to Washington?

Mr. CALDWELL. Yes, sir, but unfortunately I cannot identify them. There were certain reports on the operations of the United States Information Service. There was one very important anti-Communist report which I made which was not changed as such, but which Mr. Connors and Mr. Butterworth claimed, after it had been released to the press and caused considerable consternation, that I had done it without authority, and was guilty of insubordination. It was, I believe, one of the first anti-Communist reports ever submitted from China.

Senator MUNDT. I think there is a difference between accompanying the report made by a field man with a dissenting report by one of your associates—

Mr. CALDWELL. Yes, sir.

Senator MUNDT. And actually changing the report itself. I was wondering whether you knew of any reports that had been changed from your own personal knowledge.

Mr. CALDWELL. I could not say under oath that I could pinpoint a report that had been actually changed. I am of the belief that reports were changed, but I cannot prove that.

Senator JACKSON. Did you leave the Department in 1950, did you say?

Mr. CALDWELL. Yes, sir, I did.

Senator JACKSON. Did you resign, or what was—

Mr. CALDWELL. That depends entirely on who you talk to in the Department of State, and what personnel papers you look at.

Senator JACKSON. Can you tell the committee just what happened?

Mr. CALDWELL. I was in Korea. I went out for the Army. I became Deputy Chief of the Army's information program. When the army of occupation ended, I was asked to be Deputy Director of the United States Information Service under the State Department. I did take that—

Senator JACKSON. What year was that?

Mr. CALDWELL. That was January 1, 1949, when I took over that job. I was in charge of all of our operations in South Korea. I supposedly had done a very good job, had excellent efficiency ratings, was praised by all concerned, until Mr. Connors became Public Affairs Officer for the Far East.

Shortly after that I received a cable, the Embassy received a cable, rather peremptorily transferring me to Washington. I felt from the tone of the cable that there was trouble ahead of me. I did not wish to leave Korea. I asked the Ambassador if I might resign in Korea, and go into business. He asked me to stay on for a few months until a replacement could come. I actually resigned on the 21st of January, received papers to that effect, and later those papers were amended by the Department to show that I had resigned under pressure as a suspected Communist.

Senator JACKSON. You resigned according to the amendment to your resignation papers as a suspected Communist?

Mr. CALDWELL. The wording was "security risk," and later I have been informed that the Department has informed persons, my publisher, magazines interested in articles from me, that I had a long record myself of activities with pro-Communist peoples. That is the charge that has been held against me since I returned from Korea.

The CHAIRMAN. That charge was not made at the time you resigned?

Mr. CALDWELL. No, sir; no charge whatsoever was made when I resigned.

Senator JACKSON. Are you now or have you ever been a member of the Communist Party?

Mr. CALDWELL. I certainly have not.

Senator JACKSON. Have you ever belonged to any Communist-front organizations so listed by the Attorney General, or are you now a member?

Mr. CALDWELL. I am not. I think the only two clubs I ever belonged to were the Ornithological Club, because I am one of those queer bird watchers, and the Nashville China Club.

Senator JACKSON. Mr. Caldwell, just a couple of other questions. Do you have any reason to believe that Mr.—I believe you testified that he is not a Communist?

Mr. CALDWELL. Who, sir?

Senator JACKSON. Mr. Connors.

Mr. CALDWELL. No, sir. In my own judgment I would never dream that Mr. Connors is a Communist. I have always thought of him as a very ruthless opportunist who played along with whoever could get him to the top the quickest.

Senator JACKSON. There has been considerable friction between you and Mr. Connors since your period in China?

Mr. CALDWELL. It is only fair to say that Mr. Connors and I have not gotten along very well.

Senator JACKSON. Do you have any reason to doubt his loyalty?

Mr. CALDWELL. I never have had reasons to doubt his loyalty. I have had reason to doubt his judgment, but not his loyalty.

Senator JACKSON. You disagree with his judgment but not his loyalty?

Mr. CALDWELL. That is my own opinion, sir, yes.

The CHAIRMAN. You said that you thought Mr. Connors would play along with anybody who would get him to the top. When you were in China, the way to get to the top was to play along with those who opposed Chiang Kai-shek and favored Communists, what they called then the democratic regime in China.

Mr. CALDWELL. That is very true and to indicate how it worked, the anti-Communist report which I mentioned I had made, which I made on the request of the Department, was a report on Chinese Communist propaganda lines, methods, aims, particularly those directed against America. When that report was released to the United Press, and briefly carried in the papers—I might say it was an honest and factual report, I was just showing what I found out—I was reprimanded.

The CHAIRMAN. I do not want to go into that report at this time.

Mr. CALDWELL. Yes, sir. But I was reprimanded very severely for making the report.

The CHAIRMAN. For making the anti-Communist report?

Mr. CALDWELL. Yes, sir, I was.

The CHAIRMAN. Then you would say as far as Mr. Connors is concerned, his playing along with Butterworth, his opposition to anti-Communists, his opposition to MacArthur and Chiang Kai-shek, may have been merely the result of his desire to be promoted and get higher in the State Department, rather than any strong feeling on the subject?

Mr. CALDWELL. Yes, sir; that would be my own opinion. That is what I felt during these last few years.

The CHAIRMAN. And your experience was that those who stood up and took the opposite position from Mr. Connors, those who opposed communism in China, those who favored the recognized government of China, they were, as far as you know, gradually demoted or eliminated from the China area?

Mr. CALDWELL. They had a rather difficult time.

The CHAIRMAN. Senator Potter.

Senator POTTER. Mr. Caldwell, did I understand your testimony that Mr. Connors told you that he was sending secret memoranda to Washington on personnel within the Information Service?

Mr. CALDWELL. No, sir, not to Washington. To the Embassy in Nanking.

Senator POTTER. Who did he send it to?

Mr. CALDWELL. To Mr. Butterworth.

Senator POTTER. Who was the head of the program at that time?

Mr. CALDWELL. He was not the Ambassador, but in effect he was really the Ambassador, because he controlled the program.

Senator POTTER. And apparently also from your testimony, you either conformed at that time to the anti-Chiang philosophy or else you had a pretty difficult time.

Mr. CALDWELL. You couldn't even be in the middle. As I said before, I was certainly critical of certain things that were done in China,

as nearly every person who has been there. I watched communism with interest until I realized without any question what it was. I was not completely on the Chiang side. I was not against them. But even in that attitude, a person like myself had serious trouble.

Senator POTTER. At the time you were over there in the beginning, you and Mr. Connors had equal status, is that right?

Mr. CALDWELL. No, sir, I was superior to Mr. Connors.

Senator POTTER. Then how long a period did it take before he became your superior?

Mr. CALDWELL. He never became superior in position or in salary, but in actuality he became my superior in about 3 or 4 weeks after I arrived.

Senator POTTER. And it is your belief that the reason for this happening is the fact that he had strong anti-Chiang views, or at least he had no anti-Communist views at that time?

Mr. CALDWELL. I think certainly that must be a part of it. I may be doing Mr. Connors an injustice, but that is the only way I can figure it.

Senator POTTER. And your views were well known as being objective?

Mr. CALDWELL. I think they were. There were certain people who for reasons unknown to me always assumed I could be had as far as the Communists were concerned. I wouldn't say that I was completely known as a complete anti-Communist. I was certainly not known as pro-Communist. Generally, I was known as somewhat pro-Chiang. I think that is the best way I could put it.

Senator POTTER. Do you have any idea who initiated the charges that you were pro-Communist through documents that went in your file?

Mr. CALDWELL. No, sir. I wouldn't want to say who I think did it.

The CHAIRMAN. Mr. Caldwell, we have had so much testimony before this committee, and so much material gathered by the staff to show tampering with the files, removal of material from the files, we would like to have any information which you have which might help us to find out who inserted material in the file. If your information is not of such a nature that you would care to make the names public at this time, I want you to give it to the staff in any event.

Mr. CALDWELL. Yes, sir.

Senator MUNDT. Mr. Caldwell, you stated when you first went to China, you had a status which was superior to that of Mr. Connors.

Mr. CALDWELL. Yes, sir.

Senator MUNDT. And subsequently it was changed, which in fact gave him more authority than you. Who was responsible for bringing about that change? Who made the decision?

Mr. CALDWELL. Mr. Butterworth, I believe, made that decision.

Senator MUNDT. The Ambassador?

Mr. CALDWELL. Yes, sir.

The CHAIRMAN. Mr. McClellan.

Senator McCLELLAN. No questions, Mr. Chairman. I just came in.

Senator JACKSON. Mr. Chairman, I just want to make this observation, that if Mr. Caldwell has any information in his State Department file in which he is listed as a suspected Communist, which I believe he stated according to his testimony, that the Department people certainly ought to be up here to explain that matter.

The CHAIRMAN. May I say, Senator Jackson, before we called this witness, we checked on his background as well as we could, and found he had a long reputation of being anti-Communist, and while in China had a reputation of being pro-MacArthur and pro-Chiang Kai-shek. He wrote *The Korean Story*, which gives a fairly good picture of his attitude. We have heard the charge that a considerable period of time after he left the State Department someone did insert in his file material to indicate he was a pro-Communist. We do not know who it was.

Senator JACKSON. That is what I would like to find out; who was responsible?

The CHAIRMAN. We will try to do that. Mr. Caldwell, will you step down?

Mr. CALDWELL. Thank you.

The CHAIRMAN. Mr. Bradley Connors. Mr. Connors, will you raise your right hand? In this matter now in hearing before the committee, do you solemnly swear to tell the truth, the whole truth, and nothing but the truth, so help you God?

Mr. CONNORS. I do.

The CHAIRMAN. May I say to the other Senators at this time, that the staff attempts to get a brief on each witness before they appear so all the Senators will have a complete picture. However, because of a limited staff, we do not always have a brief at the time the witness testifies.

Your name is Bradley Connors?

TESTIMONY OF W. BRADLEY CONNORS

Mr. CONNORS. W. Bradley Connors.

The CHAIRMAN. How long have you been with the State Department, Mr. Connors?

Mr. CONNORS. Since July 1, 1946.

The CHAIRMAN. Will you speak a little louder?

Mr. CONNORS. July 1, 1946, I believe.

The CHAIRMAN. Your title as of today is what?

Mr. CONNORS. Assistant Administrator for Policy and Plans, International Information Administration.

The CHAIRMAN. You will have to speak a little louder.

Senator MUNDT. I cannot hear you.

Mr. CONNORS. Assistant Administrator for Policy and Plans, International Information Administration, Department of State.

The CHAIRMAN. Actually are you what would be known as the top-man insofar as policy for the information program is concerned?

Mr. CONNORS. Yes, sir.

The CHAIRMAN. The answer is "Yes"?

Mr. CONNORS. Yes.

The CHAIRMAN. We had a memorandum introduced in the record the other day, one which was canceled by Mr. Dulles, when he learned of it, a memorandum having to do with the works of Howard Fast: and as you undoubtedly know, Mr. Fast appeared yesterday, and refused to testify whether he believed in the overthrow of this Government by force and violence, and he refused on the ground if he testified it would incriminate him.

In answer to Senator McClellan's question he said he honestly believed if he told the truth in answering that question, it would incriminate him.

Now, No. 1, did you sign this memorandum?

Mr. CONNORS. Yes, sir.

The CHAIRMAN. That is the memorandum dated February 3, 1953. We also have another memorandum dated March 7, 1952. This memorandum lists as acceptable for the information libraries throughout the world the following works by Howard Fast: Haym Salomon, Goethals and the Panama Canal, The Unvanquished, Citizen Tom Paine, Patrick Henry and the Frigate's Keel, The American, My Glorious Brothers. It lists as unacceptable: The Last Frontier, Freedom Road, Clarkton, The Children, and Departure.

Did you have anything to do with the preparation of this memorandum?

Mr. CONNORS. No, sir.

The CHAIRMAN. You did not?

Mr. CONNORS. No.

The CHAIRMAN. Were you head of the Department at the time this was issued, March 7, 1952?

Mr. CONNORS. This was issued by the International Information Service Center and much—

The CHAIRMAN. Were you head of the Department?

Mr. CONNORS. I think I became policy director on March 25, 1952.

The CHAIRMAN. Do you know who was policy director at the time this was issued approving a sizable number of the works of Howard Fast?

Mr. CONNORS. The Assistant Secretary for Public Affairs was responsible for policy at that time.

The CHAIRMAN. Mr. Connors, how much of an authority are you on the Communist movement?

Mr. CONNORS. I am not.

The CHAIRMAN. You are not an authority. Have you ever read any of the works of Marx or Lenin, Engels?

Mr. CONNORS. No, sir.

The CHAIRMAN. Any of the works of Stalin?

Mr. CONNORS. No, sir.

The CHAIRMAN. Have you ever studied a history of the Communist movement, their methods of operation?

Mr. CONNORS. I have never studied them.

The CHAIRMAN. In other words, as far as you are concerned, your mind is pretty much a blank as far as the workings of the Communist Party is concerned?

Mr. CONNORS. No, sir, that is not true, because I depend on research and intelligence prepared by the Department on these things. They provide me with the propaganda lines and the actions that the Communist Party is planning.

The CHAIRMAN. You said they provide you with the propaganda lines. In this directive issued February 3, 1953, you were setting down the propaganda line yourself, were you not, or was that upon the advice of someone else?

Mr. CONNORS. I did not write this directive.

The CHAIRMAN. You signed it.

Mr. CONNORS. I have signed it. It was prepared at the direction of Dr. Compton, following several recommendations.

The CHAIRMAN. When you signed it, you obviously must have agreed with it.

Mr. CONNORS. I had been informed that Dr. Compton had personally approved it, and had made certain editorial changes himself in it.

The CHAIRMAN. Who informed you that Dr. Compton had approved it?

Mr. CONNORS. Allen Haden.

The CHAIRMAN. A-l-l-e-n?

Mr. CONNORS. Right.

The CHAIRMAN. H-a-y-d-e-n?

Mr. CONNORS. H-a-d-e-n.

The CHAIRMAN. H-a-d-e-n. Did you agree with this document which you signed authorizing the use of the works of this Communist writer?

Mr. CONNORS. I don't think the directive authorized.

The CHAIRMAN. Instead of saying Communist writer, this man who has a reputation of being a Communist writer.

Mr. CONNORS. The directive does not authorize the use of Howard Fast's materials.

The CHAIRMAN. Let me read the paragraph.

The reputation abroad of an author—

I am reading from the memorandum you signed—

affects the actual utility of the material. If he is widely and favorably known abroad as a champion of democratic causes, his credibility and utility may be enhanced. Similarly if—like Howard Fast—he is known as a Soviet-endorsed author, materials favorable to the United States in some of his works may thereby be given a special credibility among selected key audiences.

Would you not construe that as an authorization to use certain works of Howard Fast?

Mr. CONNORS. That is not the operative section of the directive. The operative section is where the criteria are established which states that in the selection of materials as a general rule it should be possible to draw upon the great body of resources available, produced by persons whose ideological position is unquestioned.

The CHAIRMAN. In other words, you say that this does not authorize the use of the works of Howard Fast by the international information program?

Mr. CONNORS. Only under very restrictive conditions.

The CHAIRMAN. Who determines what those restrictive conditions are? Are they set forth in this policy directive?

Mr. CONNORS. Yes, sir.

The CHAIRMAN. Let me ask you this: Do you approve of this memorandum of March 7, 1952, which authorizes the purchase and distribution throughout the world of seven of the works of this man who says, "I refuse to answer whether I would fight the Communists in Korea because if I told the truth it might incriminate me"? A man who says "I refuse to answer whether I favor the overthrow of this Government by force and violence because if I told the truth it might incriminate me." Do you favor the purchase and distribution of these works throughout the world?

Mr. CONNORS. No, sir.

The CHAIRMAN. Seven of them.

Mr. CONNORS. That directive would have been canceled by the new one.

The CHAIRMAN. It would have been?

Mr. CONNORS. That is right.

The CHAIRMAN. Has it ever been canceled?

Mr. CONNORS. The new one got canceled.

The CHAIRMAN. The new one got canceled. How about this old one?

Mr. CONNORS. Now, there is at the moment——

The CHAIRMAN. How about this memorandum of March 7, 1952? Do you not think that should be canceled?

Mr. CONNORS. It has been canceled in effect by a memorandum that no materials by any controversial persons, Communist fellow travelers, et cetera, will be used under any circumstances by any IIA media.

The CHAIRMAN. That was the order issued by Dulles after he learns of this memorandum that you issued.

Mr. CONNORS. I don't know whether it was issued by Mr. Dulles. I was informed by Mr. McArdle.

Senator POTTER. What was the date of this memorandum which you just read?

Mr. CONNORS. February 18.

Senator McCLELLAN. Let me ask a question. It was not canceled upon your initiative or recommendation. It was after these hearings began and this exposure was in process; is that correct?

Mr. CONNORS. The February 3d directive was canceled after the hearings started.

Senator McCLELLAN. I understand that this order of March 7, 1952, so far as your administration is concerned, remained in effect until after these hearings started and this exposure began to develop.

Mr. CONNORS. No, sir, that would have been amended and countered by this directive which was issued on January 30.

The CHAIRMAN. January 30?

Mr. CONNORS. It is dated January 30. It was issued on February 3, 1953.

Senator MUNDT. February 3, 1953.

Mr. CONNORS. Yes, sir.

Senator McCLELLAN. Does this one of February 3 make any specific reference to the previous directive?

Mr. CONNORS. No, sir.

Senator McCLELLAN. How do you say it would be canceled by it? How would anyone know it was canceled until you referred to it specifically?

Mr. CONNORS. The various media divisions of the Information Administration are responsible for implementing the policy that is laid down in the policy directives and this was their directive, this March 7, 1952, circular.

Senator McCLELLAN. That is true. If you wanted to cancel it, why did you not say so in the directive of February 3? Why did you not say it was canceled or revoked, so there would be no mistake about it?

The CHAIRMAN. Actually I may say—again I catch myself saying “Mr. Chairman,” since you served as chairman so long—Mr. McClel-

lan, that it is obvious that the order dated February 3 does not cancel—

Senator McCLELLAN. He is saying it does. I want to point out if he actually meant to cancel it, why did he not say so?

Senator MUNDT. Let us simplify it, Mr. Chairman, by having the witness read the language that cancels it.

The CHAIRMAN. Read the language.

Mr. CONNORS. There is nothing in the February 3 directive that refers to the March 7 directive.

Senator MUNDT. You said it canceled it.

Mr. CONNORS. It sets up different criteria.

Senator MUNDT. You said it canceled it. If it cancels it, you read the language.

Mr. CONNORS. I can't read the language to say it cancels.

Senator MUNDT. In fact, it does not cancel it at all; it supplements it and supports it and sets up some criteria for implementing the March 7 order.

Mr. CONNORS. I think you are probably right, Mr. Mundt.

Senator MUNDT. Of course we are.

Senator JACKSON. Who is on this Advisory Commission on Information Exchange?

Mr. CONNORS. The Chairman is Dr. J. L. Morrill, president of the University of Minnesota.

The CHAIRMAN. How do you spell that?

Mr. CONNORS. M-o-r-r-i-l-l. The members are Mark Starr, educational director of the International Ladies' Garment Workers Union; Harold W. Dodds, president of Princeton University; Martin R. P. McGuire, professor of Catholic University in Washington; Edwin F. Fred, president of the University of Wisconsin.

The CHAIRMAN. Am I correct that they submitted a report semi-annually, and that you were responsible for the day-to-day operations as far as policy was concerned?

Mr. CONNORS. Yes, sir.

The CHAIRMAN. Let me ask you one other question. You say that this order of March 7, which instructed the procurement of Fast's books, and distribution throughout the world, has been canceled. What steps have you taken to have his books removed from the information libraries throughout the world?

Mr. CONNORS. I have not taken any steps.

The CHAIRMAN. Do you not think it is about time?

Mr. CONNORS. I have just sent this directive yesterday to the media, and I expect them to take the steps.

The CHAIRMAN. To the what?

Mr. CONNORS. To the information centers service, which is responsible for the libraries.

The CHAIRMAN. Do you not think that as well as ordering them not to procure more works from Communist writers, that you should say "Remove the books by Communist writers from the shelves of the information program libraries?"

Mr. CONNORS. Yes, sir.

The CHAIRMAN. Will you take such action?

Mr. CONNORS. Yes, sir.

The CHAIRMAN. Thank you.

Senator JACKSON. Something was referred to, I think, in the memorandum about this Advisory Commission on Education, and I want to get this clear in my own mind. Did they have anything to do with this memorandum of February 3?

Mr. CONNORS. Yes, sir.

Senator JACKSON. Did they approve it?

Mr. CONNORS. No, there are two—

Senator JACKSON. Who approved it?

Mr. CONNORS. It was approved personally by each of the Assistant Administrators of the Information Administration, by the Deputy Administrator for Field Programs, and I was told that it had Dr. Compton's personal approval, and included his personal editing of the language. Based on those facts, I issued it.

Senator JACKSON. This Commission, the names which you read a moment ago, did they have anything to do with it? Did they approve it?

Mr. CONNORS. No, sir; but the Educational Commission recommended that the criterion for determining the availability of books for inclusion in the collections of USIS libraries abroad be based on content without regard to authorship.

Senator JACKSON. Without regard to authorship?

Mr. CONNORS. Yes, sir; that is the recommendation of the committee.

Senator JACKSON. Who made the recommendation? Give me the names of them.

Mr. CONNORS. That step was taken in a motion unanimously adopted in a meeting on December 4, 1952, of the United States Advisory Commission on Education. I believe all members of the Commission were present except Dr. Dodds. Whether he has concurred in this report which has been drafted since, I do not know.

Senator JACKSON. Will you state the exact language of what they agreed to at this December 4 meeting?

Mr. CONNORS. The minutes say:

The Commission by motion unanimously adopted and endorsed this latter resolution and recommendations—that the criterion for determining the availability of books for inclusion in the collections of USIS libraries abroad be based on content without regard to authorship.

Senator JACKSON. Does that mean by implication that they agreed to the inclusion of the Howard Fast books?

Mr. CONNORS. I could not answer for sure.

Senator JACKSON. Were Fast books discussed at this meeting? Were you present?

Mr. CONNORS. No, sir; I was not present. The Commission's recommendation was based on a recommendation from its own subcommittee called the Committee on Books Abroad, and that Committee on Books Abroad was chaired by Dr. McGuire, of Catholic University, and included Charles P. Brett, president of McMillan & Co., Cass Canfield, chairman of the board, Harper & Bros., Robert L. Crowell, president, Thomas Y. Crowell Co., Keyes D. Metcalf, director of libraries for Harvard University. That committee recommended—

The CHAIRMAN. Mr. Connors, regardless of this list of names that you read off to us, you made the final decision, did you not, as policy director?

(No response.)

The CHAIRMAN. You had some boards to advise you as to what you should do, but you were the man who made the final decision; is that correct?

Mr. CONNORS. Well, based on—

The CHAIRMAN. Did you or did you not?

Mr. CONNORS. I made it based on the recommendation that Dr. Compton had approved. He is my superior.

The CHAIRMAN. But you made the final decision as far as policy for the information program is concerned.

Mr. CONNORS. No, sir. I would consider he made the decision, since he sent it to me with his approval.

The CHAIRMAN. Who would issue the directive?

Mr. CONNORS. He is my superior.

The CHAIRMAN. Who would issue the directive and sign it?

Mr. CONNORS. I issued it on his behalf.

The CHAIRMAN. Did you always send every directive to Dr. Compton to get his approval?

Mr. CONNORS. Not always.

The CHAIRMAN. In those cases where you did not send the directive to Dr. Compton, in those cases you were the final, ultimate, supreme court?

Mr. CONNORS. That is not true in the way the policy mechanism functions. Depending on the areas of policy involved, the policy statements need the concurrence, the clearance of the various geographic bureaus involved in the Department, and the public affairs area.

The CHAIRMAN. You are policy director.

Mr. CONNORS. That is right.

The CHAIRMAN. And you say you do not determine policy?

Mr. CONNORS. I determine the policy but it is subject to review by certain elements of the Department of State before it can be issued.

The CHAIRMAN. Let me ask you this: Just forgetting for the time being your name is Brad Connors and forget for the time being you are the policy director, would you say it is wise to have as policy director a man who says, "I have never studied the works on any of the authorities of communism, I have never studied the Communist movement, I have never studied to determine how they work, how they infiltrate?" Do you think it is wise to have a man with that complete lack of knowledge by his own admission directing the policy of a multimillion-dollar program that is designed to fight communism? Would it not be better to put a man with that lack of knowledge which you profess in some other department where he would fit and put a man in your job who knows something about the Communist movement? Who, for example, has studied the works of Lenin, Engels, Marx, and Stalin. Who knows the insidiousness of their workings. Is not that a reasonable conclusion?

Mr. CONNORS. I have the assistance of fully trained and capable specialists. I bring a propaganda view to the policy which is important, too.

The CHAIRMAN. Would you say a fully trained and capable specialist urged that we purchase seven of the works of a known Communist writer and distribute them throughout the world?

Mr. CONNORS. I did not issue that directive, and it was not prepared in my office.

The CHAIRMAN. You issued a directive subsequently which said you could use the works of this same author. In other words, No. 1, you have a directive dated March 7, 1952, a few days before you took over, which says buy the works of this Communist author. Then a year later you issue a directive saying it is all right to use the works of this Communist author, naming him. What trained specialist advised you to do that?

Mr. CONNORS. No one advised me, because I didn't draft this directive but from what I understand, Fast's name was used because there had been so much discussion about him, because of this March 7, 1952, directive, and to call attention to the fact that under the new directive we were setting up restrictive criteria for use of any books produced—

Senator MUNDT. At the time you issued this directive, did you or the people in the State Department know that Howard Fast had served a term in the Federal penitentiary for contempt of Congress, because he refused to disclose Communist records under his control at that time?

Mr. CONNORS. I don't think I had any personal knowledge, but I couldn't answer.

Senator MUNDT. Would it not be helpful to have somebody in the Department who knew something about who had been going to jail because they had concealed facts from Congress?

Mr. CONNORS. Yes, sir.

Senator MUNDT. That is the point the chairman was trying to make. May I say that this memorandum which was handed me by the staff, Mr. Connors, it says that in connection with the Commission's recommendation, you and Dr. Compton disagreed with the recommendation; is that right?

Mr. CONNORS. That is right. We felt that the Commission's recommendation was too all-inclusive and too broad, and that we had to set up certain restrictive criteria.

Senator MUNDT. You simply disagreed with the details of the recommendations and not its purpose or its objective.

Mr. CONNORS. That is right.

Senator JACKSON. Was it a Commission's recommendation? If I understand the reading of the language that you submitted to the committee, any book, any author could be used. Was that recommendation?

Mr. CONNORS. That is right. The recommendation says specifically based on content without regard to authorship.

Senator JACKSON. That was the recommendation of the advisory committee?

Mr. CONNORS. That was the recommendation of the Advisory Commission, and the Advisory Commission's recommendation was based on the Committee of Books Abroad recommendation to it which said:

The Committee is positive and unanimous in its decision to recommend to the United States Advisory Commission on Educational Exchange that authorship should not be a criterion for determining whether or not a book is available for USIS libraries abroad.

In this connection the committee is unanimous in its recommendation that the content of the book, regardless of authorship, be the criterion which determines its availability for inclusion in USIS libraries.

The CHAIRMAN. Mr. CONNORS, let me ask you this: Have you changed your mind? Do you think now that we should not distribute the works of known Communist authors through the information program, or do you still think that some of their books should be used?

Mr. CONNORS. I think that you have a use for some of them in trying to convince leftwingers and fellow travelers if you have something that has material that is favorable to the United States, is not opposed to any of our policies or principles. You might be able to use it to influence a leftwinger, a fellow traveler, and as a result of an effort in that way, then give him some other materials which would be 100-percent American.

The CHAIRMAN. In other words, give him some Communist material—

Mr. CONNORS. That is a little bait.

The CHAIRMAN. And some American material. Yesterday I understand you told the staff that you could not define the theory of communism, that you could not describe the practices of the Communist Party; is that correct?

Mr. CONNORS. Well, I think—

The CHAIRMAN. Is that essentially correct?

Mr. CONNORS. That is what happened yesterday.

The CHAIRMAN. If that is true, then how can you take a book written by a very clever Communist author, and determine whether it should be used or not, if you say you cannot define communism in theory or in practice?

Mr. CONNORS. The determination of the books is not my responsibility.

The CHAIRMAN. Do you not make the final decision?

Mr. CONNORS. No.

The CHAIRMAN. Who makes the final decision on the question of books?

Mr. CONNORS. The final decision on the question of books is made by the Assistant Administrator for the International Information Center Service.

The CHAIRMAN. So your thought as of today is that as Director of Policy for the information program you should allow the use of Communist books and leave it up to someone else of discretion as to which Communist books should be used.

Mr. CONNORS. No, sir, I do not agree to that.

The CHAIRMAN. All right. As of today do you think you should issue an order saying no Communist books should be used?

Mr. CONNORS. There is such an order.

The CHAIRMAN. A minute ago you thought there was a valid use for books by Communist authors. Have you changed—

Mr. CONNORS. It does not. I issued an order which said—concerning use of materials by controversial persons—in order to avoid all misunderstanding, no materials by any controversial persons, Communists, fellow travelers, et cetera, will be used under any circumstances by an IIA media.

The CHAIRMAN. You were ordered to issue that through Mr. Dulles' office, were you not?

Mr. CONNORS. I don't know whether that—

The CHAIRMAN. You were ordered to issue that memorandum; is that correct? You did not initiate it?

Mr. CONNORS. It was suggested that I should put out an order. I rescinded the original. The original instructions to me was to rescind the February 3 order.

The CHAIRMAN. Now, let me ask you this—

Mr. CONNORS. Then it was at the same time suggested that we should ban everything, so I drew up this instruction based on that. The CHAIRMAN. Let me ask you this.

Mr. CONNORS. So I would say it was on direction of the Secretary, if the word came from him.

The CHAIRMAN. Let me ask you this: Unless I misunderstood you a few minutes ago, you said you thought that the works of some Communist writers could be used.

Mr. CONNORS. They cannot be used.

The CHAIRMAN. As of this moment, do you still think that the works of some Communist writers should be used in the information program, as of this moment?

Mr. CONNORS. Based on a standing directive that has been issued, they cannot be used.

The CHAIRMAN. My question is, Do you think they should be used? Do you think they have a place in our information program? Forget about your directive for the time being. It is a simple question, Mr. Connors. The question is, Do you think we should use the works of Communist authors in the fight against communism? It is not a difficult question.

Mr. CONNORS. We quote Stalin and Marx every once in a while for speech-propaganda purposes. I do not think we should have them in our libraries, and I don't think we should give the books out to people to read.

The CHAIRMAN. So you think that was a mistake, a very serious mistake, when this order of March 7 was issued, saying purchase the works of a Communist writer, a Communist who served time in the Federal penitentiary. Do you say today that was a serious mistake, Mr. Connors?

Mr. CONNORS. Yes, sir.

The CHAIRMAN. Can you tell us now who is responsible for this particular order?

Mr. CONNORS. I believe this order was issued by Mr. Dan Lacey.

The CHAIRMAN. Where is he now?

Mr. CONNORS. He is now at the Library of Congress, but he was the Assistant Administrator for the Information Center Service.

The CHAIRMAN. One further question, Mr. Connors. We have had testimony here that the two key broadcast stations to be located in the United States in the Voice program have been located within what is known as the Auroral absorption belt. In other words, the magnetic storm area. Testimony has been that it takes a tremendous amount of power to penetrate that magnetic storm area, and get the radio signals to the target area; in other words, Communist Russia or whatever it happens to be. The testimony has been that we could save approximately \$9,000,000 in each of those stations if they are moved outside of that magnetic storm area.

In line with that, the two stations in question, Baker East and Baker West, have been canceled out.

Let me ask you this: If I were in your Department, and I were a member of the Communist Party attempting to sabotage the Voice

program, would it not be wise for me to try and locate the stations within that magnetic storm area so they would be subject to jamming by Communist Russia and so that we could not hit the target area with radio signals?

Mr. CONNORS. Yes, sir.

The CHAIRMAN. Would that not be the logical thing, if I were a Communist, to do?

Mr. CONNORS. Yes, sir.

The CHAIRMAN. May I ask this: Do you think that mislocation of those two stations was the result of stupidity or the result of a deliberate attempt to sabotage the Voice?

Mr. CONNORS. So far as I know the locations were picked based on surveys by competent radio engineers and a study by the Massachusetts Institute of Technology. This is outside of my sphere of responsibility, and I do not have all the facts.

The CHAIRMAN. Are you aware of the fact that over a year ago when only \$200,000 had been spent on Baker West, all the engineers apparently agreed that Mr. Herrick then sent a memorandum to Mr. Compton saying:

It is a mistake to locate Baker West where it is located; it should be moved. However, if we move it, we run into congressional investigations; we may lose our fund. Therefore, let us leave it in this area.

Are you aware of that?

Mr. CONNORS. I read what was developed at the hearing.

The CHAIRMAN. I am sorry. I said Mr. Herrick. It was General Stoner who sent the memorandum.

On another subject, how well do you know Edmund Oliver Clubb? I refer to the Edmund Oliver Clubb who is discharged as a security risk under the loyalty program. How well do you know him?

Mr. CONNORS. I knew him to the extent that he was an associate in the Department of State. I first met him when he was assigned to a post in China and had normal business dealings with him. He was later in the Bureau of Far Eastern Affairs, and I saw him there on a daily business basis.

The CHAIRMAN. Have you met and advised with him since he was discharged under the loyalty program?

Mr. CONNORS. He was not discharged under the loyalty program.

The CHAIRMAN. Since he was allowed to resign after the Loyalty Review Board had recommended his discharge, then, have you met and advised with Edmund Oliver Clubb after he resigned, which resignation was after the Loyalty Review Board had recommended his discharge under the loyalty program?

Mr. CONNORS. Yes, sir. He came in to consult with me about some articles which he had submitted to the Department for clearance under the Department's rules.

The CHAIRMAN. Did you discuss the Voice policy with him at that time?

Mr. CONNORS. No, sir.

The CHAIRMAN. You did not? How much time did you spend with him at that time?

Mr. CONNORS. I would say no more than 5 or 10 minutes, and we discussed his articles.

The CHAIRMAN. Have you seen him since that time?

Mr. CONNORS. I do not believe so.

The CHAIRMAN. Did you advise him his articles could not be used, in view of his recent resignation by action of the Loyalty Board?

Mr. CONNORS. No, I advised him that I didn't think his articles were very good, but I didn't have the decision; he would have to take it up with the Publications Board.

The CHAIRMAN. Did you make an appointment for him with the Publications Board?

Mr. CONNORS. I don't think so.

The CHAIRMAN. Do you know?

Mr. CONNORS. I doubt it, because he would just have to call someone up.

The CHAIRMAN. Do you know whether his articles were used?

Mr. CONNORS. No, sir, I do not.

The CHAIRMAN. How well have you known John Stewart Service?

Mr. CONNORS. I have known him—

The CHAIRMAN. I refer to the Mr. Service who was also discharged under the loyalty program.

Mr. CONNORS. I have known him, I think, since 1950.

The CHAIRMAN. Socially?

Mr. CONNORS. Socially. I first met him in the Department.

The CHAIRMAN. Have you met and advised with Service since his discharge under the loyalty program?

Mr. CONNORS. I have not met and advised with him. I have socially met with him, but I have not advised him on anything. I have been particularly careful not to discuss any business with him at any time.

The CHAIRMAN. How often have you met with him since his discharge?

Mr. CONNORS. I don't know. I don't think I have seen him personally since September or October.

The CHAIRMAN. Just one final question, Mr. Connors. Do you not think that it would be well for the new Secretary, if the Voice program is to be continued—and I think there is a good place for a good Voice program—to try and find a man to head up policy who is fully and thoroughly acquainted with the Communist Party line, with their policy, with their aims and objectives, and their method of operation? Otherwise, you cannot conceivably have sensible policy directives. Otherwise, you will have a repetition of what we have had presented to us today. Keep in mind, this committee cannot spend all of its time running down the unusual and ridiculous directives issued by the Voice of America or the International Information Program. Can you answer that question?

Mr. CONNORS. I think that is a judgment for the Secretary to make. It would depend on the type of officers he wants in particular jobs.

The CHAIRMAN. If you were the Secretary of State, and you were picking a policy director for the information program, an information program which is supposed to fight communism throughout the world, instead of getting a man like Bradley Connors, yourself, who says, "I know nothing about the Communist movement; I have never read any of their works," would you not try to get an authority on the Communist movement, someone who knows all about it, to head that very, very important project? Would you not do that?

Mr. CONNORS. I think that is a problem, Mr. Chairman, because sometimes you get someone who knows the entire history, but he is not very capable on propaganda.

The CHAIRMAN. Mr. McClellan, I think you had a question?

Senator McCLELLAN. I thought I understood from this witness a few moments ago that prior to the issuance of the directive of February 3, this man Fast had been discussed and his works had been discussed, that were included in the directive of March 7, and they had become controversial, or some criticism had been made of the use of his works; is that true?

Mr. CONNORS. No, I think what I had reference to there, sir, was the fact that the March 7 directive dealt with Mr. Fast, and therefore it was presumably deemed advisable to mention his name in this directive.

Senator McCLELLAN. Since you did have your thoughts and interest focused on him at that time, if you wanted to cancel the previous directive, why did you not specifically say so? That is what I do not understand. In this directive you were considering him and made special reference to him, but you did not direct that his works be withdrawn or no longer used as was authorized, and directed by the directive of March 7. In other words, could you not write a plain, positive directive if that was your intention?

Mr. CONNORS. I think so.

Senator McCLELLAN. You could have done so?

Mr. CONNORS. Yes.

Senator McCLELLAN. You did not do it.

Mr. CONNORS. No.

Senator McCLELLAN. One other question. You have mentioned that Dr. Compton, you understood, approved this directive of February 3. Did you not take it up with him personally as your immediate superior?

Mr. CONNORS. No, sir, I did not, because I had been informed that his staff assistant had informed one of my senior staff directors that Dr. Compton had personally written his comments across certain parts of it. That if they were incorporated in the directive, it had his approval.

Senator McCLELLAN. That may be the usual procedure, but it strikes me that on a directive of that importance you would want to confer with Dr. Compton about that personally and have him personally tell you that he had approved it. You did not do that?

Mr. CONNORS. I did not. On the basis that since he had edited it himself, and it had been sent to me, that it now represented—

Senator McCLELLAN. So for us to be able to determine whether he definitely approved it, we will have to inquire of Dr. Compton?

Mr. CONNORS. Yes.

Senator McCLELLAN. That is all.

Senator JACKSON. Did the March 7, 1952, directive have the approval of this Advisory Committee?

Mr. CONNORS. I do not know.

Senator JACKSON. Was it ever called to their attention as being in full force and effect, if you can answer the question?

Mr. CONNORS. I just don't know.

Senator JACKSON. You do not know?

Mr. CONNORS. No.

Senator JACKSON. You heard Mr. Caldwell's testimony. I do not believe there has been any question asked about it. Do you have any comment on his testimony?

(No response.)

Senator JACKSON. First let me ask you, Has there been some feeling between you and Mr. Caldwell?

Mr. CONNORS. I think it arises from the fact that on his arrival in China in August 1946, I believe it was, we had no advance word that he was arriving in China until the day before he arrived, as I recall, and at the same time unbeknownst to me, General Marshall had requested my services in behalf of his mission. That resulted in my assignment to the Embassy, my having to go from Shanghai to Nanking, and meant that the Shanghai office was left without anybody there, and it was decided that Mr. Caldwell would then have to go instead from Nanking to Shanghai.

The CHAIRMAN. Were you an adviser to Marshall on his mission to China?

Mr. CONNORS. I served for a time.

The CHAIRMAN. As his adviser?

Mr. CONNORS. On press.

The CHAIRMAN. Were you his adviser?

Mr. CONNORS. Yes.

The CHAIRMAN. How long did you serve as Marshall's adviser during his mission to China?

Mr. CONNORS. I think approximately during the month of August 1946 until his departure on January 6 or 7 of 1947.

Senator JACKSON. What did you advise on?

Mr. CONNORS. Press and public relations.

Senator JACKSON. Anything on policy?

Mr. CONNORS. No, sir; I also served General Wedemeyer in the same capacity in 1947 when he made his mission to China at the President's request.

Senator JACKSON. How long were you with General Wedemeyer?

Mr. CONNORS. I think 4 to 5 weeks.

Senator JACKSON. Did you ever while you were out in China talk sympathetically toward Mao Tse-tung or Chou En-lai, the Foreign Minister?

Mr. CONNORS. No, sir, at no time did I favor the Communist regime.

The CHAIRMAN. Do you know John K. Fairbank?

Mr. CONNORS. Yes, sir.

The CHAIRMAN. Do you know Fairbank urged a promotion for you to a more important job and a higher salary?

Mr. CONNORS. I did not know it until it was mentioned here. I assume the records would show if he did.

Senator POTTER. Did you ever write any of Marshall's speeches?

Mr. CONNORS. I participated in polishing up things.

The CHAIRMAN. Did you help write his reports?

Mr. CONNORS. No, sir, I did not.

Senator MUNDT. Did you prepare the press release he made at the end of his mission when he said, "A plague on both your houses"?

Mr. CONNORS. I put it in final form.

Senator MUNDT. Was that your happy phrase?

Mr. CONNORS. No, sir.

Senator MUNDT. Tell us something about this Allen Haden. If I understand your testimony correctly, neither Compton nor you drafted the directive of February 3, but it was drafted in the first instance by Allen Haden, who works in your office.

Mr. CONNORS. That is right.

Senator MUNDT. He told you he submitted it to Compton and he made some delineations and on the basis of that report you put it in final form and signed it; is that right?

Mr. CONNORS. To the best of my knowledge—and I looked at the memorandum for the first time this morning—my staff was instructed by Dr. Compton's staff assistant in a memorandum dated December 29, 1952, to prepare such an instruction.

This memorandum and directive to Mr. Haden, who was director for the regional staff within my office, they worked on the draft—they had several drafts apparently. They had a meeting on January 15, 1953. The subject was discussed again at a meeting on January 28, of the program strategy committee at which Dr. Compton was present, but which I was unable to attend.

On January 29, Mr. Haden was informed to proceed with the memorandum and he was provided the handwritten changes which Dr. Compton had made.

Senator MUNDT. (presiding). How important a man in the shop is Allen Haden? What is his salary?

Mr. CONNORS. He is a GS-15.

Senator MUNDT. What is his title?

Mr. CONNORS. Director of the Regional Planning and Policy Staff.

Senator MUNDT. GS-15 gets what salary?

Mr. CONNORS. \$10,800 is the base, I believe.

Senator MUNDT. The chairman suggested that I ask you whether you could name the works of any other Communist or Communist sympathizer whose books were used in conformity of February 3. We have heard a lot of Howard Fast. Do you know of any others?

Mr. CONNORS. So far as I know, no books were used or no materials were used based on the February 3 directive. I just don't have any knowledge.

Senator MUNDT. How about the March 7, 1952, directive?

Mr. CONNORS. I would assume that since that directive was issued, and went to Overseas Information Center libraries that the libraries had those books. At the committee's request we are preparing a list of the books in all the libraries.

Senator MUNDT. Were you in the committee room this morning when the Chinese witness testified?

Mr. CONNORS. Yes, sir.

Senator MUNDT. You heard what he said?

Mr. CONNORS. Yes, sir.

Senator MUNDT. Do you have any comments to make?

Mr. CONNORS. At that time I was serving as a press officer for General Marshall, I believe, and the man quoted was a correspondent for one of the newspapers, I believe the Government Central News Agency.

Senator JACKSON. What was the Government Central News Agency?

Mr. CONNORS. Chinese Nationalist Government Central News Agency.

Senator MUNDT. Are you now or have you ever been a member of the Communist Party?

Mr. CONNORS. No, sir; at no time.

Senator MUNDT. Or any of the fellow-traveler organizations listed by the Attorney General?

Mr. CONNORS. No, sir.

Senator MUNDT. Do you deny categorically the statements made?

Mr. CONNORS. Absolutely.

Senator JACKSON. Can you tell us anything about that confession? I assume you have known about it.

Mr. CONNORS. I have known about it to the extent that we had a report from the Embassy on the subject, and I had read the translation. So far as I know, the man was——

Senator JACKSON. Were you named as being a Communist in that confession?

Mr. CONNORS. No, sir.

Senator JACKSON. What did it say about you, if you know?

Mr. CONNORS. It accused me of passing on information through the Embassy that was inimical to our Embassy, which is completely untrue.

Senator JACKSON. None of the statements in the confession with reference to you were true?

Mr. CONNORS. No, sir.

Senator JACKSON. They are all untrue?

Mr. CONNORS. That is right.

Senator JACKSON. What about the statements made by Mr. Caldwell? He questioned your judgment, I believe, and he did not question your loyalty.

Mr. CONNORS. I could question his on the same basis, I think, on his judgment.

The CHAIRMAN (presiding). So the record will be clear, there is considerable feeling not of the best nature between you and Mr. Caldwell. I think we should have that in the record so the Senators can better evaluate the testimony. In other words, you and Mr. Caldwell were not exactly what you call pals.

Mr. CONNORS. Yes, sir. It is obvious.

Senator MUNDT. Before you secured your appointment with the Information Service, were you given a check by the FBI to your knowledge?

Mr. CONNORS. Yes, sir. No one can be employed——

The CHAIRMAN. Let me say, Senator, that a check by the FBI is meaningless as far as State Department personnel are concerned unless it is acted upon. One of the things developed over the past 3 years very thoroughly is that when the FBI goes out and does an excellent job, an outstanding job of investigating a man, no action is taken upon the investigation by the State Department evaluation officers. I do not say that is the case of Mr. Connors, but the statement of FBI investigation has been misunderstood so thoroughly that I think we should make it very, very clear that it is meaningless, regardless of how good a job the FBI does, unless the Security Division of the State Department acts upon it.

Senator MUNDT. You started to elaborate on the answer before the chairman interrupted you.

Mr. CONNORS. I started to point out that Public Law 402 requires a full field investigation formally by the FBI. Congress amended the law in the last session.

Senator MUNDT. Do you know who it was that evaluated the FBI report in your connection?

Mr. CONNORS. No, sir, I do not.

Senator MUNDT. Who was Secretary of State at the time you were appointed?

Mr. CONNORS. The predecessor to General Marshall.

Senator MUNDT. Stettinius?

Mr. CONNORS. Byrnes, I think. I think Byrnes was Secretary at the time.

The CHAIRMAN. Do you not know who the Secretary of State was when you were hired?

Mr. CONNORS. No, sir. I was overseas at the time and I believe it was Mr. Byrnes.

Senator MUNDT. Our information does not quite jibe with yours about this FBI investigation. Are you positive of your own knowledge that you were given that field job? I know that is what the law says, because I wrote the law and put that in myself. Are you sure of your own knowledge that you were given the field test?

Mr. CONNORS. I have never seen the records or anything. I have been told.

Senator MUNDT. Your answer is simply based on the fact that it is in the law, and you assume that the law was enforced?

Mr. CONNORS. Yes, sir.

Senator JACKSON. Who told you you were given a full field investigation? You said someone told you. Someone in the Department?

Mr. CONNORS. No, I don't think anybody in the Department. I think I just assumed it.

The CHAIRMAN. Did you know the Chinese whose confession we read this morning?

Mr. CONNORS. He was a Chinese newspaperman. I knew him to the extent that he came to the Embassy.

The CHAIRMAN. How well did you know him?

Mr. CONNORS. To the extent that he called at the Embassy from time to time.

The CHAIRMAN. You since learned that he was executed for being a Communist spy.

Mr. CONNORS. Yes, sir.

The CHAIRMAN. Did you give him information when he came to the Embassy?

Mr. CONNORS. Only such information as I gave to other newspaper reporters, and that was information that was authorized.

The CHAIRMAN. You gave him information?

Mr. CONNORS. Yes.

The CHAIRMAN. But you say it was information which you gave to any newspaperman?

Mr. CONNORS. Correct.

The CHAIRMAN. In other words, your testimony today is that you did not give this man any information that you would not give any other newspaperman?

Mr. CONNORS. Absolutely.

The CHAIRMAN. For how long a period of time did you know him?

Mr. CONNORS. I have no idea, sir.

The CHAIRMAN. Did you meet him socially?

Mr. CONNORS. I don't believe so.

The CHAIRMAN. Do you know?

Mr. CONNORS. I just don't know.

The CHAIRMAN. Do you recall when you first met him?

Mr. CONNORS. No, sir.

The CHAIRMAN. I think that is all. Any questions by any other members of the committee, or any of the staff?

Senator JACKSON. I was going to ask one question, Mr. Chairman.

Are you a newspaper writer or what is your background?

Mr. CONNORS. Yes, sir, I spent 5 years—

Senator JACKSON. What is your academic background?

Mr. CONNORS. I went to Newark Academy and Yale University for 2 years.

Senator JACKSON. You went to Yale for 2 years?

Mr. CONNORS. Yes, sir.

Senator JACKSON. Then what did you do after you left Yale?

Mr. CONNORS. I did a little free lancing and worked for the Public Service Corp. of New Jersey.

Senator JACKSON. You worked for what?

Mr. CONNORS. Public Service Corp. of New Jersey, and then I went to work on a New Jersey newspaper.

Senator JACKSON. What was the name of it?

Mr. CONNORS. Newark Star Ledger.

Senator JACKSON. And then from there on to OWI?

Mr. CONNORS. Yes, sir.

Senator JACKSON. And then on to the State Department.

The CHAIRMAN. In conclusion, I understand we do have your assurance at this time that you will issue the proper order to remove from the information program libraries all works of Communist writers?

Mr. CONNORS. Yes, sir.

The CHAIRMAN. Do we have your assurance of that? Do you agree that action should be taken? We do not want to pressure you into taking any action that you think should not be taken. Do you agree that action should be taken?

Mr. CONNORS. Yes, sir.

Senator POTTER. You heard Mr. Caldwell's testimony when he stated that during the period of time that you both were in China, that you either conformed to the anti-Nationalist Government line or else it was pretty rough on you. Do you concur?

Mr. CONNORS. I do not concur with that statement by Mr. Caldwell.

Senator POTTER. In other words, your testimony is that this statement is not accurate?

Mr. CONNORS. It is not so. I was in full sympathy with the Nationalist Government. I felt there were certain reforms that could be made, but I was unalterably opposed to the Communists.

The CHAIRMAN. Thank you very much, Mr. Connors.

We will recess until 10:30 tomorrow morning. And may I apologize to you, Miss Lenkeith, for having called you down and kept you waiting, but we wanted to keep the continuity of the testimony. We will hear you at 10:30 tomorrow.

(Thereupon at 12: 10 p. m., a recess was taken until Friday, February 20, 1953, at 10: 30 a. m.)

APPENDIX

EXHIBIT No. 4

[Outgoing airgram]

DEPARTMENT OF STATE,
February 3, 1953.

INFORMATION POLICY FOR USE OF MATERIALS PRODUCED BY CONTROVERSIAL PERSONS

I. PURPOSE

The purpose of this instruction is to establish criteria to govern use in the IIA program of already existing books, writings, paintings, music, pictures, films, and other output, produced or created by persons who are subjects of public controversy.

II. DISCUSSION

The question has often been raised within IIA and elsewhere of the relation of the political or ideological controversiality of the creators of material to the use of that material in IIA programs. Clearly, authors or other creators commissioned to prepare material for IIA use need to be selected with the utmost care to assure that their products will fully serve IIA purposes. But here the problem is rather whether existing creations by controversial persons can be useful in attaining certain IIA objectives. Usefulness, therefore, is the basic consideration.

The United States Advisory Commission on Educational Exchange, the body legally established to represent the public in advising the Department on its overseas educational and cultural programs, unanimously adopted the following resolution after a prolonged study of this particular problem: "The content of the book, regardless of authorship, [should] be the criterion which determines its availability for inclusion in USIS libraries." The contrary view would argue that the Department should bar from use in its programs, without reference to the material itself, any product of an author or creator who is himself the subject or likely to become the subject of domestic controversy. There is considerable pressure to follow the latter course, though the problems involved in doing so have never been formally passed on by the Congress.

The reputation abroad of an author affects the actual utility of the material. If he is widely and favorably known abroad as a champion of democratic causes, his credibility and utility may be enhanced. Similarly, if—like Howard Fast—he is known as a Soviet-endorsed author, materials favorable to the United States in some of his works may thereby be given a special credibility among selected key audiences.

The withdrawal or obvious barring of a controversial author's work from a collection, exhibit, or the like where its absence or withdrawal will come to public attention abroad may have a seriously adverse effect on the credibility of IIA.

The problem of determining who is and who is not a controversial or potentially controversial figure presents major difficulties. It follows therefore that in order to be sure that the product is useful in attaining IIA objectives careful scrutiny must be given to the product of any person whose political orientation has been questioned.

The publications of organizations are normally issued for the specific purpose of advancing their organizational objectives. The publications of organizations on the Attorney General's list of subversive organizations may hence be assumed without further review to be subversive in intent.

III. CRITERIA

In the selection of materials, writings, art, photographs, films, etc., it should be possible, as a general rule, to draw upon the great body of resources available produced by persons whose ideological position is unquestioned. Admitting, however, that usefulness to IIA is the basic consideration governing inclusion of any materials in IIA collections, there are times when items produced by ideologically questionable persons may be advisable. In view of the great resources available to IIA, the latter action would necessarily be the exception rather than the rule.

The criteria governing that exceptional action are the following:

1. Content of the product, not authorship, will be the primary criterion. This means that other factors are to be considered.
2. Materials produced by a person whose ideologies and views are questionable or controversial will not be used unless:
 - (a) The material supports importantly (not incidentally) a specific IIA objective; and the converse, that is, none of the content is detrimental to the objectives of the United States Government.
 - (b) The material is substantially better than other material available for the purpose, that is, support of a specific objective of IIA.
 - (c) Failure to include the material would impair the general credibility of IIA.
3. The effectiveness of the material, judged as promoting importantly a specific IIA objective, has been weighed against the possible harm resulting from the enhanced prestige the controversial producer may acquire by virtue of the inclusion of his product in IIA operations. The balance must be clearly and strongly in favor of the effectiveness of the material.

IV. REVIEW PROCEDURE

If in the application of the above criteria any doubts are entertained by the responsible officials in IIA or in missions overseas, the items concerning which there are such doubts will be submitted to a review board.

The chief of mission is requested to name a review board of three members, of which the public affairs officer shall be one, to review all materials concerning which the public affairs officer may be in doubt, produced by ideologically questionable persons. The review board may be on an ad hoc or standing basis as suits the convenience of the mission.

Within IIA, a Standing Review Board is to be established, to meet, from time to time as may be required, to consist of three members to be appointed by the Administrator. All materials concerning which there is doubt within IIA may be referred to the Standing Review Board for decision.

Should the review board at an oversea mission not be able to resolve doubts regarding the selection and use of items produced by ideologically questionable persons, such items may be submitted to the Standing Review Board of IIA under cover of an operations memorandum marked for the attention of IIA.

For the Administrator:

W. BRADLEY CONNORS,
Assistant Administrator for Policy and Plans.

EXHIBIT No. 5

GENERAL DISCUSSION ON RUSSIAN INTELLIGENCE ORGANS AND THE TASS AGENCY IN CHINA

A CONFESSION BY THE ESPIONAGE CHIEF, LI P'ENG

(Translated from Central Daily News, Chung-yang jih-pao, September 3, 1950)

At the time we are discussing, well-known Chinese Communists stated that their delegates stationed in Chungking had absolutely no connection with the Soviet Embassy there; but even if there were any occasional social intercourse between them it would be of a personal nature. In truth, the Soviet staff members, taking advantage of personal relations, made good use of Chinese Communists for their assistance in espionage work. The Chinese Communists who were close to Li Li-san and the so-called International Communists were even more eager to carry out these duties. At that time, staff members Chou En-lai; Kung P'eng, the former secretary of Chu Te; Ch'en Chia-k'ang, who represented the Chinese Communists in the International Youth Delegate Conference; Lu Ming, assistant city editor of the Hsin Hua Daily, and others, were all central figures employed by the Soviet Union.

Before and after the victory, during the political consultative conferences of the Government, the removal of the capital to Nanking and the peace conferences with the Chinese Communists, a group of persons who professed to be democratic members of parties hitherto unheard of sprang up like bamboo shoots after the spring rain. Most of these people wished to build up their

own personal political status in the midst of the conflict of interest between the United States and Russia, and the controversies between the National Government and the Chinese Communists. Whenever they found opportunities to get in contact with the Russians or the Chinese Communists, they willingly made themselves utilized. Such persons as Shen Yen-pin, Chang Hsi-man, Wang Yun-shêng, Huang Yen-p'ei, Lo Lung-chi, Chang Po-chün, and others, all had relations with the Soviet Union while in Chungking and Nanking.

Let us talk about the third method. Any diplomat of a country, in addition to representing his country and carrying out necessary diplomatic transactions with the country he is stationed in, has the duty to collect intelligence information for his own country. The Russian diplomats, because of the political system of their country, which has aggressive intentions, naturally would find themselves isolated when mingling in diplomatic circles in China. Among the 40 and more diplomats in China, only Li Li K'o (a European name in Chinese form) who represented the politically changed Czechoslovakia had diplomatic relations with Russia. But the Soviet diplomats in China did not find themselves isolated during their years in Chungking and Nanking. This was due to poor management by responsible Chinese diplomatic officials on one side, and to inconsistency and self-interest of other nations on the other; so Russia did not let the opportunity pass by, but utilized the existing objective weakness.

Ordinarily, our diplomatic relations with Russia are under the supervision of the Asia-Europe department in the Ministry of Foreign Affairs. While the basic national policy toward Russia was made by the highest authority, all the documents of correspondence and daily intercourse were handled by the Asia-Europe department. In addition to managing foreign affairs with Russia, the department also had the duty of dealing with the several near eastern countries, and, naturally, the foreign relations with these countries were not as important as those with Russia. For many years, the directorship of the Asia-Europe department had been held by graduates of the Sun Yat-sen Memorial College in Moscow, who were mostly former party members of the Kuomintang. They were sent to Moscow for training and observation and returned strongly anti-Communist. The staff members of the department in charge of documents were composed of people who had either received their education in Harbin or were formerly under the employment of the Russians in the Chinese Eastern Railway Co., due to the scarcity of persons skilled in the Russian language. Most of these people had not received higher education. Members of the Ministry of Foreign Affairs often regarded top officers of the Asia-Europe department as prejudiced, and the lower staff members as ignorant, so, as a result, the Asia-Europe department could not carry out positive activities with Russia.

There is another thing. The staff members of the protocol department of the Ministry of Foreign Affairs, who undertake liaison duties with diplomatic officials of other countries, were held and controlled by people closely related to the so-called diplomatic elite—Chinese diplomats who had been recalled from embassies or consulates in Europe and America. These people lacked enthusiasm for work. Besides fooling around and waiting to be dispatched abroad in order to enjoy life, most of them took the attitude that "less work is better than more work," and regarded matters concerning Russia even more as hard work to be avoided. Besides, staff members of both the Asia-Europe department and the protocol department differed so much in background and points of interest that they made fun of one another, and most of the time would not cooperate wholeheartedly. As a result, a near farce broke out when the (Chinese) landlord of the Russian Embassy residence at Ta Fang Lane in Nanking brought suit against the Russian Ambassador in 1947.

Because of poor management by officials of the department in charge, it goes without saying that it would be too much to expect these people to keep the Russian officials under close surveillance. Besides, we should keep in mind the competition in diplomatic intelligence work. The accomplishment of either side depends on the degrees of effort. One weak spot on our side will offer more opportunity to the opponents in their work.

Since the end of the war, after the defeat of Japan in the fall of 1945, the nations active on the diplomatic stage in Chungking (later in Nanking) may be divided into six units and groups: 1. The United States, which earnestly hoped to assist the Government in bringing about reorganization, peace, and reconstruction; 2. The treacherous Soviet Union; 3. The declining Great Britain, the most vigorously anti-Communist Canada, the self-governed Australia, etc., and the small number of the anti-Communist north European countries; 4. France, which could not even take care of herself, and which was riding on the

fence; 5. The South American countries, which followed the United States as their leader; and 6. The near eastern Mohammedan nations; Siam, and the three new nations: the Philippines, Burma, and India.

Except for the Soviet Union all these countries were anti-Communist, but their degree of antagonism differed insofar as their interests in China were concerned. Among these nations the United States and Russia were obviously in direct conflict in their interests in China. The British hoped to take advantage of the American-Russian conflict in order to maintain their already shaken interests in China on one hand, while working side by side with the United States in the United Nations and in formulating European policies on the other. France also had political difficulties and uncertainties internally; her diplomatic policy toward China was to watch closely the development of Chinese Communist power merely hoping that it would not affect Indochina. Others like the British dominion countries, the small number of the North Atlantic countries, the small countries in the Near East and South America, and the postwar new nations, are in general, indirectly concerned, and, therefore, took the attitude of watching the development of the Chinese situation.

When the United States Ambassador Hurley went to Yenan, China, in 1945, Mao Tsè-tung arrived in Chungking and negotiated with the Government in order to solve their political differences. At the end of December, Marshall arrived in Chungking as the special American Ambassador. Early in the following year (1946) the Government opened the Political Consultative Conference and issued a cease-fire order and reorganized the troops. Marshall went to Lushan six times and tried his best to bring about peace, but these peace negotiations dragged on for 2 years. During these 2 years our internal diplomatic policies were all centered on the United States negotiations. Therefore, Soviet Russia's intelligence and that of other countries naturally were also centered on the same object. But the interests of the various nations were different and their emphasis and attention also were different. During these years the American Ambassadors were Hurley and J. Leighton Stuart. One was a straightforward soldier. [This refers to Hurley.] The other was a sympathetic educator [Stuart]. Both of them lacked the strict discipline of a diplomat in keeping confidential matters secret. At that time the American information officer of the United States Embassy was Fei Cheng-ch'ing (F. Fai Ba-nk) [John Fairbank]. He was succeeded by K'ang Na-shih (Byadly Conneys) [Bradley Connors]. Later on this special assistant to Ambassador Stuart was Ambassador Pai Te-hua (Butternoill) [Butterfield] who had the responsibility of formulating policies toward China. (He is now an Assistant Secretary of State as well as the head (chief) of the Far Eastern Section (Branch).) All these people were basically dissatisfied with the personnel of the Nationalist Government. They were prejudiced.

Very often they forgot to keep secrets and they leaked out diplomatic secrets either intentionally or unintentionally. Then through the embassies of third nations, the leaked news reached the ears of our enemies.

Since India gained its independence in 1947, it has been the ambition of Premier Nehru to make her the leading nation in the Far East, taking the place of Japan and China. In an endeavor to establish diplomatic relations with Soviet Russia, Nehru appointed his sister, Mrs. Pandit, whose international reputation was well known throughout India, as Ambassador to Soviet Russia. At the same time, after the coup d'etat of Pibul (Songgram), Thailand also wanted to maintain diplomatic relations and exchange diplomatic personnel with Soviet Russia. At that time such talks of diplomatic relations took place principally in Washington. But the three countries concerned, Soviet Russia, India, and Thailand, all maintained diplomatic delegates in China. Moreover, Menon, the first Indian Ambassador to China, is a close friend of Nehru. It had long been decided to transfer Menon to the Indian Ministry of Foreign Affairs as a deputy officer. Diplomatic delegates of Soviet Russia, India, and Thailand held secret talks in our National Capital. Some lower grade officers of the Soviet Embassy in China were transferred to Bangkok directly from China. It is understood that India and Thailand have always maintained very close relationships with China. To say nothing of the past historical relationship, leaders of both India and China had exchanged diplomatic visits during the period of the anti-Japanese war of resistance. For many years China and India have exchanged diplomatic delegates. Although Thailand is a small nation, overseas Chinese residing in that country occupy one-third of her total population. As there have always been difficulties requiring settlement, diplomatic relations have always been main-

tained between the two countries. In short, as diplomatic delegates from both India and Thailand represent countries of diverse historical background and relationship, it was easier [sic] for them to get in touch with our Government officers and civilians. And our Government did not keep close watch over such personnel. For this reason Soviet Russia was able to exchange diplomatic information with India and Thailand in Nanking. As past events are reviewed, it is not difficult to see that the unscrupulous recognition of the Chinese Communist regime by India and the vacillating attitude of Thailand is a result of this situation.

In speaking of the fourth method employed by Soviet Russia in collecting information in China, it is nothing more than the systematizing and editing of fragmentary material scattered in the newspapers. This is one of the routine procedures followed in the embassies and consulates of all countries. For many years an information office has been organized in the embassies of Great Britain, the United States, France, India, etc. On the one hand, it has the responsibility to collect reference material for use of its own country. In like manner, China has maintained a similar service in foreign countries. But what should be pointed out particularly is that although the information service of the Soviet Embassy carries out identical duties its organization and nature show several special characteristics. First, the organization in connection with translation and the systematization of newspaper material is enormously larger than that of any other country. Secondly, the entire staff is composed of citizens of Soviet Russia. Thirdly, the scope of the collection of material is very broad. Fourthly, it works in close cooperation with the Tass Agency.

Before discussing in detail the intelligence work in China by the Tass Agency, one of the Russian organs, let us mention by the way two Russian stores in Nanking seemingly not unconnected with the Russian Embassy. One, located on Ma Chia Chieh (Ma Family Street) in Nanking, was called Mme. Natleys Dress Maker; the other, situated in the vicinity of San P'ai-lo (Three Archways) was called Nestaiafe. The former was a high-class women's dress and wearing apparel store; the latter was a Russian-style restaurant and bakery shop. Both were owned by white Russians who had regained Soviet citizenship. Madame Natley was a middle-aged widow, who had resided in Harbin for many years, and had engaged in the women's dress business for a long time. She has a store in the Hotel des Wagon-Lits on Legation Street in Peiping. In the spring of 1948 she moved to Nanking, declaring that she had long ago obtained Chinese citizenship, and that she was engaged solely in doing business with women of the embassies and the American Advisory Committee.

Madam Natleys was exceedingly wide and lavish in her social engagements and was frequently seen in the residence of ambassadors of foreign countries. She was especially intimate with the wife of the French Ambassador, Mei Li Ai (M. Jacques Meyrier), and the wife of the British naval attaché, Mo K'o T'an No (MacDonald). She personally sponsored international fashion shows twice in Nanking. Many families of the ambassadors and of the American military personnel attended the fashion shows with enthusiasm, but few knew that she was closely connected with some of the Russians. The proprietor of the Russian-style restaurant also participated in the Russian national holiday celebrations in the Russian Embassy, and was introduced as one of the few overseas Russians. The restaurant was also frequented by foreign diplomatic officials and the proprietor treated these customers with special courtesy. Some of the people who worked in the restaurant have recently come to Taiwan and joined in business with a Chinese merchant. It is possible that some information concerning the whereabouts and the activities of their former proprietor may be found by investigating them. At least we can point out that before the Government left Nanking, there were stores operated by the White Russians everywhere in Peiping, Tsingtao, Tientsin, etc.: in the past few years thousands of White Russians regained Soviet citizenship, but at the same time many were refused citizenship. We can conjecture just what was the basis for acceptance and rejection.

The information system of the Tass Agency of Soviet Russia should be discussed separately; but in reality the Tass Agency and the Soviet Embassy are part and parcel of the same organization. It is understood that all the Soviet organizations in China can be grouped under four categories. First, the Soviet Embassy and its subsidiary consulate general in Shanghai, and the consulates in Nanking, Peiping, Tientsin, Tihua, etc. Second, the office of the Soviet military attaché in China. Third, the commercial attaché of the Soviet Embassy and his office in Canton. Fourth, the Tass Agency. In speaking of their organ-

ization, these four types are directly responsible to Moscow; but, in reality, they are one and inseparable.

Although the Tass Agency has a close and inseparable connection with the information service of the Embassy, it is generally recognized as a news agency of an international character. For this reason, correspondents of the Tass Agency possess additional facilities in carrying out their official and secret activities.

The development and the changes in the working procedures of the Tass Agency in China have been handicapped by objective conditions in the development of the general situation in China. Long before the outbreak of the anti-Japanese war of resistance, Lo Kuo-fu (Rogov), who had been residing in the Far East for many years, was directing the affairs of the Shanghai branch office of the Tass Agency. He continued his stay in Shanghai even after the war broke out. When the Second World War broke out, a nonaggression pact was signed between Russia and Japan. Rogov continued to remain in Shanghai directing the information agencies of Soviet Russia. After the victory was won in the war of resistance, Rogov returned to Shanghai and was responsible for the head office of the Tass Agency in China. According to remarks made by an American correspondent who met Rogov, he is one of the few able men of Soviet Russia in the Far East. And, in fact, Rogov is one of the responsible men in charge of Soviet information agencies in the Far East. The Tass Agency, taking advantage of the friendly Soviet-Chinese relations during the first stage of the war of resistance, greatly expanded its personnel in China. At one time six correspondents were sent out to China. At the time when a desperate effort was being made in defending Wuchang and Hankow, the scope of the organization of the Tass Agency began to expand in Hankow. The Tass Agency was at that time issuing three publications: (1) Chinese draft of the daily news broadcast of the Tass Agency; (2) an English draft of identical content; (3) Classified News, published weekly. Besides, collections of speeches and monographs on special subjects were published in the form of small pamphlets. Work of this scope was maintained until the beginning of 1949, when the seat of government was removed to Canton.

In an effort to maintain the continued publication of these materials, the Tass Agency trained many Chinese cadres who were willing to render loyal service to Soviet Russia. Such people had always been employed to do editing and translating work in different organizations of the Tass Agency. For the security and protection of these people, they were accommodated in one place, leading a life completely isolated from the world.

After the Government removed to Chungking, a special reception house was set up to facilitate the work of foreign correspondents. When the Government returned to Nanking, foreign correspondents set up their own reception houses, but the Tass Agency never joined them. The reason can be attributed to its huge organization, and to the secret nature of its work.

In Chungking the Tass Agency maintained contacts with correspondents of other nations. Among them were Jou Erh Sun (G. Geolaon, now in France) and Kan Shih Pao (Serge Gunsberg, now in Moscow) of the French News Agency; Mo Shat (Spencer Moosa, now in Taipeh, his wife being a White Russian who lives in Hong Kong) of the Associated Press; Ai Chin Sheng (Brooks Atkinson) (who later visited Russia), and Li Po Men (Henry Liberman, who has written a biography of Chou En-lai) of the New York Times; Wei Le (George Wealer) of the Chicago Daily News; Fu Erh Men (Harrison Forman, who wrote A Report From Red China and who attacked the [Chinese] Government very hard after his return to the United States) of the London Times, and others. In Nanking Mi Erh K'o Ssu (Harry Milks) and Lo Te Jui K'o (Cohn Roderick) of the Associated Press; La Ch'a (Jack Japire) of the French News Agency; Chang Kuo-hsin of the United Press, and others all dealt regularly with the Tass Agency.

Aside from dealings with various foreign correspondents in order to exchange information, the Tass Agency maintained still closer relationship with the New China Agency and the New China Daily News of the Chinese Communists. For example, Kung P'eng, Lu Ming, Chen Chia-kang, Wei Wen-chin (the English secretary of the Chinese Communist delegation), and others mentioned above, all helped them in establishing contacts in Chungking and Nanking.

The Tass Agency sent six correspondents to China during the Wuhan and Chungking days. In the final stage of the war, they were transferred to Russia one after another. And by the time of the return of the capital to Nanking, only P'u Chin K'o (N. E. Protsenko) and Hsi Ni Nao K'o Fu (V. M. Sinelnikoff) still remained in China. After V-J Day, Protsenko stayed in Nanking and

Shanghai briefly before returning to Moscow to be an editor in charge of news from China. When the Government evacuated to Canton, Sinelnikoff moved to Canton with the Soviet Embassy, and in October 1949 returned to Russia when the Soviet Embassy was withdrawn. He was the last correspondent in (Chinese) Government-controlled territory. After the continent was lost, the Tass Agency became the only foreign news agency that issued news release in the area under Chinese Communist occupation. It is believed that a large number of old correspondents (of this organization) almost certainly will return to China.

From what has been said above, we can at least say in conclusion that Russia has been engaging in intelligence work in China for many a year. At present, this kind of work has been pushed forward in the direction of Southeast Asia, possibly with Hong Kong and Shanghai as its center, to infiltrate gradually into Singapore, Bangkok, Manila, Batavia, and the whole south seas area. To save the last line of defense against the Communists in Southeast Asia and to win a few million of our overseas Chinese population in the south seas, it is necessary that we should give our close attention to it.

Up to the present, the Asiatic countries that have diplomatic relations with Soviet Russia are the bogus regime of the Chinese Communists, India, and Thailand. As to Hong Kong, Singapore, the Philippines, Indonesia, Burma, and French Indochina, etc., the Russians are yet unable to gain a foothold. The intelligence setup in these areas, if any, is mostly underground and can still be combated. If, in the future, the Communist influence extends eastward, not only Formosa will become even more isolated, but the whole of Southeast Asia also will be brought under the influence of Soviet Russia.

Speaking of the continent of China as a whole, Soviet Russia must certainly be extending her influence at the present time by leaps and bounds. Therefore, our Government should stage a counteroffensive as early as possible in order to check further troubles in the future. However, before a large-scale counteroffensive becomes a reality, it is of urgent necessity that the Government should strengthen its intelligence work on the continent at an early date.

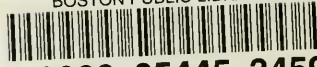
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